# ADVANCED MANAGEMENT

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VOLUME XX NO. 2

## *In This Issue . . .*

Business Leadership In The Decade Ahead — *Ordway Tead*

The Administration Of Operations Research — *J. W. Pocock*

The Case Method In Supervisory Training — *T. S. Lisberger*

A Program For Motivating Salesmen — *William W. Bryan*

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THE COMPETITIVE CHALLENGE TO AMERICAN PRODUCTIVITY by Frederick S. Blackall, Jr., President, Taft-Pierce Manufacturing Co., Woonsocket, R. I.

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**Retooling Production Management**

MECHANIZED DATA PROCESSING FOR PRODUCTION CONTROL by James M. Kalbach, Supervisor Methods & Measurements, Engineering Dept., E. I. duPont de Nemours & Co., Wilmington.

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RETOOLING MANAGEMENT FOR COMPETITION by George Romney, Pres. and Chairman of the Board, American Motors Corp., Detroit

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**Retooling Material Handling**

NEW TECHNIQUES FOR INTRA-MACHINE FLOW by Charles F. Hautau, President, Hautau Engineering Co., Detroit

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DO INDUSTRIAL ENGINEERS NEED EXECUTIVE DEVELOPMENT? by Harold Smiddy, Vice President, General Electric Company, Schenectady, N. Y.

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*SAM Constitution*

## CONTENTS

Editorial ..... 4
**by George B. Estes**

Business Leadership In The Decade Ahead ..... 5
**by Ordway Tead**

The Administration Of Operations Research ..... 10
**by J. W. Pocock**

Bottlenecks In Human Relations Training ..... 13
**by Dalton E. McFarland**

A Program For Motivating Salesmen ..... 17
**by William W. Bryan**

The Case Method In Supervisory Training ..... 20
**by T. S. Lisberger**

Organizing To Use Statistics ..... 24
**by Benjamin J. Mandel**

How Will The Good Supervisor Deal With Youth? ..... 29
**U. S. Dept. of Labor Survey**

New Management Writing ..... 30

Chapter News ..... 31

Chapter Activities Chart ..... 32

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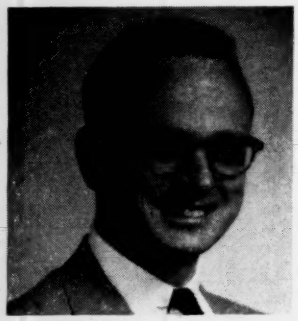

*George B. Estes,*
*President, SAM*

# Management Ethics

EVERY day we read, hear and see evidence of attempts to discredit our government, our way of life, and—subtlely woven into it all—our methods of conducting business. This last is a critical target. It is a tangible manifestation of our way of life. Its criticalness is heightened by the competitive nature of our economy.

Most of our industrial corporations are owned by a group—in many cases a very large group—of stockholders. The responsibilities attending ownership are, therefore, broadly distributed and not easily pinpointed. The executive function, on the other hand, is specifically structured and quickly accountable. Basically, our executives are the visible heads of industry and control the manner in which it is operated. They are responsible not only for profit-making but also for ethics in business.

The time is long past when anyone might say—and believe—that it makes no difference how a profit is made as long as no one is caught breaking the law. There are extremely few businessmen in our day who do not fully subscribe to and practice the belief that ethical practices necessarily go hand-in-hand with successful enterprise. Severe and reverberating problems can arise from exceptions to this belief. The possibility of exception should be a matter of deep concern to the field of management.

The very fact of an extremely high percentage of corporations with edifying industrial practices emphasizes the desirability of a universally acceptable code of management ethics to protect and insure this valuable asset in our way of life. Management has risen to a professional status. A professional code of conduct and operation would safeguard the tremendous social and technical strides already made in this profession, while serving as a swift and straight path to fulfillment of the measureless potential ahead.

Management is as much in need of a professional code as law, medicine and engineering. In a sense it is in greater need because it is more developmental than any of these.

The day of a management code of ethics is not far off. Our executives, meanwhile, are in the excellent position of proving to the world that, in the very nature of things, good business and high standards do go hand-in-hand.

George B. Estes

*ORDWAY TEAD has been editor of social and economic books at Harper & Bros., since 1925; a member of UNESCO since 1952; is a member of AMA and the Society for Advancement of Management. He is the author of numerous books and articles on management in industry.*

# Business Leadership In The Decade Ahead

***Ordway Tead***
***Editor, Social & Economic Books***
***Harper & Brothers***
***New York City***

**In a society which we proudly believe to be increasingly non-exploitative, classless, creative and cooperative, the superb opportunity is offered us to provide well, to live well, to love generously, and to collaborate with an enlarging circle of our fellowmen, to achieve a good life for us all . . . Here Mr. Tead offers suggestions on how it can be achieved.**

IT IS never easy to take a fresh, adventurous view of the unforeseen. Yet today, more than ever, top executives have to face the problem of realities ahead over a wide range of human activities. For us in management these activities have primarily to do with the life of our nation as an industrial producer. Today, this requires constructive attention to the interests of a variety of groups beyond the familiar "employer-employee" activities. Our thinking has increasingly to appreciate that, for their very existence and wide acceptance, corporations both legally and socially are dependent upon wholesome relationships with every such group. All this now ramifies out beyond solely economic groups and judgments.

Thus, a certain boldness of conjecture seems not only permissible but essential. And, as one of the relatively older participant-observers of the management movement, I feel responsible to look behind the words which can so readily obstruct the facts, and reflect upon how present tendencies seem to give suggestions as to their thrust into the future.

First, we must face certain basic questions which are frankly philosophical. I mean that we have to ask ourselves what is today known about the basic nature of the organism, man, with whose behavior we are concerned. What light does an enlarging science of man throw upon our understanding of his needs, desires and aspirations? Is the economy we have created in our unique nation in reasonable harmony with the needs, desires and satisfactions of men? Does our growing knowledge of the nature of man offer us some more penetrating basis for appraising the soundness of our economy in terms of the possible fulfillment of individuals? If our answers to such questions are uncertain; if we surmise that we have hardly begun to tap the possibilities of individual growth and realization in the productive phases of our economy, what are some of the ways and means by which we should relate persons to productivity in the most fruitful and happy ways?

To the end of clarifying such basic questions I propose to amplify the meaning and significance to management of four words, to some extent philosophically and to a lesser extent operationally. And the four words are these: cooperation, creativity, communication and community.

I start with cooperation because it is both such a respectable word and such a key requirement in our effort to operate a productive economy.

I. *Cooperation:* By cooperation I am not suggesting sweetness and light. No discussion of the ways and means toward cooperation is honest or realistic which does not start with recognition that there are typically several parties at interest in the conduct of industry, the claims of all of which have to be recognized and taken account of. These claims give rise to genuine tensions and conflicts of interest. Cooperation has to do with the ways and means by which continuing conflicts are faced up to, and some deeper unity of intention is sought. Thus the approach has to be one of candid analysis of the inter-group cross currents of concern. We have to acknowledge that whatever unity of intention and effort is achieved can come only out of somewhat formalized participation, consultation and consent, out of jointly confronted deliberations, which seek to keep conflicts subordinated to the total welfare of the economy.

Our whole industrial life is what it is in its productivity and morale because of an extraordinarily fine acceptance and loyalty on the part of the great body

of our participating workers. This includes their adherence to the principles of our economic system and to the broad terms of employment offered by our corporations. But we still have in this employee involvement in our economy too much of what Professor Sumner H. Slichter has called "antagonistic cooperation" or an attitude of passive consent.

With the inevitably required intergroup collaboration in production a central problem now is to secure a shift in attitude and effort to affirmative, enthusiastic collaboration. In other words, in terms of practical operation, how is it possible for corporations to assure the eager acceptance of corporate purposes by all involved? I ask this, not in order to offer an evaluation of how far the most forward-looking corporations have already gone in this direction (and I believe they have gone far). Rather I am concerned to encourage a new basis for all managerial thinking. Certain truths about the nature of man have thus far received too limited acceptance and application as policy and method are being shaped.

## New Insights Credit Man With Positive Character

Several of the familiar concepts about the nature of man we should now recognize to be partial and inadequate. There are, for example, concepts of the selfish economic man; of man as a sinful, fallen creature; of man as predominantly sexual in motivation; of man as exclusively conditioned by his physical organism. But there is now coming into being a far more inclusive, balanced, dynamic sense of his nature. These new insights are in great need of interpretation and acceptance in general and in their corporate implications.

Those familiar with recent psychological scholarship will realize that it is now supplying fresh insights as to how people are most effectively moved to act and, therefore, to produce. The present position is this: if the human being is not negatively conditioned—beaten down by adverse social environment, thwarted by frustrating home or educational influences—he is, in his normal health and wholesomeness, a cooperative, loving, affectionate, active, explorative, creative, participative and aspiring individual. This view of the intrinsic affirmative character of the human organism is sustained by a growing body of unassailable findings from research in biology, physiology, anthropology, sociology, psychology, and psychiatry. The familiar views of man as warlike, competitive, super-aggressive, or on the other hand as lazy, passive, unresponsive and apathetic, are now realized to come from too much centering of study upon examples of pathological, of abnormal or subnormal behavior, from too-quick generalizations from limited data.

## Need For Affectionate, Responsible Relationships

It is of great significance that the entire body of modern psychological scholarship is giving corroboration to the basic conviction of the great Hebrew prophets, to the Sermon on the Mount, and to St. Paul's great chapter which concludes "and the greatest of these is love." Human beings, in short, fulfill themselves, are most happy, and most productive, as they have the free opportunity for affectionate and responsible cooperative relationships with their fellow beings. Biologically this constructive and rewarding sentiment and response begins in the family; and it may be made to extend out into wider and wider circles of affectionate and sympathetic relationships as men are wise enough to foster and feel free to release such expressions of human emotion. This implies the need for a voluntary and permissive structuring of social institutions so that this release may safely occur in the local neighborhood, on the job, and as men function educationally, socially and politically.

At this point, you may inject that all of this may be true in theory, but that in our kind of society there are adverse conditioning factors which are tremendously influential and which check favorable human responses. Yet I remind you that the continuance of these adverse conditioning factors is in some part a managerial responsibility. If, for example, you say that certain labor union policies are an obstacle to genuine cooperation, or say that the temper of our society encourages people to be selfish and aggressive, I shall agree. But the further question is: are these difficulties due to human wickedness or to economic relations and social patterns that encourage negative and non-cooperative attitudes?

I would urge that in our kind of society, with its interplay of individual psychological and social cultural influences, the leadership of industrial management can be far more liberative than we have yet acknowledged. We can release far more human power for cooperative ends than we have yet dreamed of. For as managers come to understand the dependence of person upon society and of society upon person, they have at their disposal important clues toward how the motives and the activities of industrial conduct can build more fully on the true cooperative nature of people. Surely we already have enough examples of constructive, peaceful and productive management dealings with employees and with unions to enable us to say with growing assurance that the attitude with which representatives of the workers deal with management depends upon the honest initiative of managers themselves in acting with generous goodwill. These cooperative attitudes of employees, directly and through their unions, are impressive wherever the men and the unions are met halfway by management, and accepted as permanent units of human association and collaborative effort. And this truth looks in two basic directions — namely, toward agreement on all matters related to a fair work load, and agreement as to how the total financial results of the business are to be divided.

## Co-operation Through Good-will And Honest Intention

Managements can now with confidence use their relationships with employee groups and unions as the basis for a kind of cooperation that increases productivity, yields a happy, common spirit in the shop, and results in genuine personal satisfaction on the part of the workers in the relationship they are having with the company.

The way to cooperation, in short, is to assure goodwill and honest intention from management toward the men, and to organize and make vocal, through two-way communication, that concern for goodwill—to the end that out of face-to-face relations a genuine morale, a high productivity, and a liberal reward will result. Understandable differences of outlook and interest will still persist. But under the patient and continuing provision of opportunities for joint conferring upon common problems, all the lesser conflicts can be subordinated and adjusted, for they become in fact subordinated under a strengthened sense of loyalty to the enterprise, to the industry, to the economy, and to

the worker associations concerned for their security and welfare. Given the satisfactions of personal status at work, of creativity through work, of enlightened supervision, of security in livelihood, of adequate financial reward, and of happy sociality among the workers, cooperation becomes a fact. And with our ascending scale of productivity in the frame of a democratic society, nothing less than this soundly motivated cooperation should content us.

### Provide Chance For Creativity And Ego-maximizing

II. *Creativity:* I have characterized the cooperative nature of men when the conditions encourage them to have healthy relations together. I go on to emphasize, as a responsibility of management, the importance of providing situations in which worker creativity is consciously released. Here again psychological knowledge offers a remarkable consensus about this central fact of human nature. The true nature of man includes urges to be curious, creative, self-realizing, self-fulfilling through the freely chosen expression of his combined drives, desires and interests. With many others I have for a long time stressed the importance of what I call the "ego-maximizing" tendencies of men. This means the need for a satisfying sense of individual worthwhileness, firmly established and having assured channels of expression. But it is easy to misunderstand self-maximizing motives as too egotistical, too self-centered, too aggressive and ruthless, too unaware of the good consequences of such drives in respect to the individual's contribution to the world outside himself.

Hence, to urge that the wholesome and healthy person strives to be a life-affirming, loving, creative person in his own individual ways, is a scientific description of man's nature. And if this is the reality, many practical implications flow from it which have to be made use of in specific situations with social wisdom and strategy.

I must guard myself by acknowledging that there is a reality in our characters, beyond adverse conditioning factors, of what used to be called "sin." Man's nature has its elements of perversity and waywardness, of not acting always up to the best that it knows. But this truth can easily be overstressed and when it is we are accentuating the negative to the degree that we create a blind spot about the positive, and thus fail to capitalize on it in our dealings with men.

The problem of managing human relations thus becomes one of releasing constructive, socially needful qualities; of realizing how the total environment of men at work, at home, at worship, and in other typical settings, can contribute to such release; of helping to create those favorable surroundings; of offering the leadership to individuals and groups which will touch off and enlist the creative urges; to understand how in organized groups this creative enlistment can be sustained and made deeply satisfying to those involved.

The creative person is on the whole the healthy person; he is eager to express his productive talents with zest. That expression can readily become a contribution to some activity which society needs or can find use for. Quite simply, when the individual creates best, he is also serving society best. The high-level creativity of the members of a society is at once self-fulfilling and socially essential. It is also to a considerable extent the way to reconcile what a recent scholar has called the conditions of being "inner-directed" or "other-directed." It is the way people may belong to a culture with some necessary conformity while yet in freedom having the chance for personal expression and novel individual contribution. In the deepest sense the creative individual is thus also the moral individual.

### Mechanization Does Not Hamper Creativity

If you ask: what bearing have such truths upon how we run our industrial economy? my answer in principle is that we, as managers, must try at all levels of work and of workers to achieve for individuals creative occasions of self-expression through work to the fullest possible extent. And on this score we have as yet hardly begun to draw upon our ingenuity. Nor will the rapid increase of mechanization of work make this necessary personal creativity more difficult, but rather more easy. For, as I observe what is occurring, it would seem that the level of intelligent, trained and creative ability for tomorrow's work processes has necessarily to increase as mechanization increases.

The sound premise is that the more the individual worker's creative fulfillment is attainable, the more the rate of production promises to increase. That is already our experience where this premise has been tried. The equally important premise is that the more group happiness in creative association among workers can occur, the more the work of the world comes into harmony with the self-realizing desires of men as members of a democratic society.

The ways and means to achieve all this will have great diversity from industry to industry and from company to company. The new understanding of human nature—the goodwill, and the intention—these are the primary requirements upon managers. I summarize again: our operating policies and methods have to be re-viewed if man is the kind of animal who is dynamic, adaptive, emergent, curious, loving, creative, aspiring, value-cherishing, and value-realizing.

III. *Communication:* In fulfilling the implications of this view, there has obviously got to be genuine communication among the active parties to production.

The word "communication" itself is almost too popular. It has become one of the over-burdened words of current management discussion. I find all too often a disposition to view this process too simply and too easily. "Communi-

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cation" is not a stream of house organs, loudspeakers, memoranda, slogans, pep-talks, warnings, and exhortation from the head office to the plant floor. A sound idea of communication will, I believe, link it closely in meaning and method to the nature of the learning process itself. For true communication is not mere telling; nor any other one-way effort to put over a message. We have to distinguish between the desire and the effort to communicate, and, on the other hand, the result in an accomplished clarification and change in the minds of others.

### Good Communication Influences Attitudes

Like true learning, real communication is always a two-way process. It is a shared participation and a joint involvement in some novel, problem-solving or mind-changing situation. When communication is successful there results in both parties a difference of attitudes or conduct. And until this difference is demonstrated there has been no real communication. What, as we say, "goes in one ear and out the other" is no communication. The difference resulting from communication may, we should realize, be some conscious disagreement. But hopefully, there may rather result a positive acceptance of ideas and new activities. The effort to communicate is a tough job. It should be a continuing job; it requires great sensitivity on the part of managers as to how they are operating in their interpersonal relations.

Finally, and most important, far more of this real communication has to be face to face, at first hand, in the personal confronting of managers with men. The alibi by executives that the size of corporate or plant units precludes face-to-face encounters is an evasion of psychological realities. This excuse should no longer keep individual managers away from direct, personal associations, certainly with supervisors, and on occasion with rank and file workers. Only thus will there be the human give and take, the necessary chances for managers to listen as well as to speak, the sense they will get of the degree of employee understanding and acceptance, the realization that a true sharing of the experience of the specific problem is occurring.

These are all essential requirements of real communication. There is no escaping the truth that our own understandings, meanings and desires derive only from our own experiences. To a large extent the experiences and problems of managers thus have to be intellectually shared and emotionally felt by those being communicated with. They too must become parties to the problem tension from their own backgrounds and outlooks.

Because of this psychological reality, the sincere effort of managers to communicate can be for them as individuals a self-fulfilling, growth experience. Their own total understanding of their problems will be enriched in ways that only the "feed-back" of true communication can assure. There is here a healing and therapeutic force; as managers drop their defenses, others are moved to drop theirs. A wise philosopher once said that we come to be ourselves only as we communicate well with others. In other words, the self-fulfillment of managers and the feeling that they are satisfying their own best intentions are advanced by this participative experience. Where true communication exists those who initiate it may well learn far more than those who presumably "receive."

### Look, Listen And Learn For Good Communications

I come, therefore, to a definition of genuine communication which I offer as a check upon the temptations we all fall into to take the easier path. Real communication occurs when persons or groups voluntarily face a problem or an experience together; when they make genuine efforts to listen and to understand each others' ideas or interpretations of that experience or problem: and when they come hopefully to agreement and acceptance of the ideas in question.

I submit that if a full grasp of the meaning of this definition is constantly held in mind, we can in the next decade use communication to help us more rapidly achieve cooperation, creativity, and a fuller sense of community.

IV. *Community:* My fourth suggestion concerns the word "community." Here there are both general and specific influences to take into account. And they all revolve about the basic idea that it is impossible to preserve our kind of society unless each corporate organization consciously assumes its share of the task of its preservation as an honest, constructive, educational effort.

### Complex Social Patterns Demand 2-way Public Relations

We in America are committed to a belief in a society of freedom both for necessary economic enterprise and for the fulfillment of persons. We propose that our industrial system shall do its part, not only in raising the material standard of life, but in helping men to associate together in ways that enhance personality. These democratic purposes are helped or harmed by the total climate of sentiment in which each company conducts its affairs. This climate of sentiment is a two-way product and result. It influences and is influenced by corporate relations to legislative, judicial and regulative bodies, to vendors and customers, to stockholders, to the local communities in which individual plants are operating, and of course to the employees themselves.

All these relationships have different, but always important, influences bearing upon the strengthening of a free democratic society. True communication by management with these several groups requires intensive, continuing and intelligent concern—far beyond the usual one-way "public relations" concept.

For example, one of the areas of current urgency is the problem of corporate responsibility for gifts to educational institutions. Opinion on this score is as yet by no means crystallized or united. But surely the needs of education in relation to the kind of society we wish to preserve would suggest to corporations a public policy here of increasing flexibility and outright support.

Second, as we look ahead at the increasing mechanizing of plants toward

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what is now being called "automation," along with the uprooting of plants from one locality and the transplanting of them elsewhere, the total public repercussions of such changes have to be thought and anticipated by every company in which such changes are projected. The individual worker's sense of neighborhood, of his home roots, of belonging, of participation in community affairs, all these we now know are needed to strengthen the psychological foundations of personality. And these cannot be ruthlessly and heedlessly tampered with by corporations without a disturbance of our society politically, and a frustration of persons individually.

And third, in the political and civic affairs of localities as well as of the larger governing units, the active, honest and informal participation of company employees from all levels needs to be encouraged, with, of course, complete personal autonomy of each individual as to how and where he functions. We cannot cope with the complexity of problems of housing, health, transportation, education and recreation unless employees, purely as citizens, share the local burden of the conduct of these essential public services. And all of these services can obviously be direct feeders to and builders of the competence of persons, and hence of the productivity of the economy.

### Is Management Ready For Advanced Community Relations?

Community relations, contacts and positive personal participation are, in short, a part of the new day and new look of management in order to buttress our total society. And the reported statement of Charles E. Wilson that "what's good for General Motors is good for the country" becomes an inadequate and short-sighted view of management community response. The short-run interests of one company and the long-run interests of our society are by no means necessarily the same. And the responsibility of managers here has to be to take the long-run view of both corporate and public welfare.

If, on this score, one's comment is that managers are not trained or informed to undertake in an enlightened way these multiple community relations —local, national and international—I have to agree. But we cannot leave the matter there. For here, as in respect to my other three areas of concern, one phase of our challenge is the developmental one—namely, the better training of more managers both within business and in our university schools of business. Neither corporate nor collegiate executive training is a good as it has to become. And until it is better it will not be easy to translate my four central ideas into universally accepted policy terms.

### New Understanding Of Human Nature Advancing Society

If my contentions are valid, the development of executives, both in-service and pre-service, has to become more bold, more generalized, more statesmanlike, more philosophically mature, more psychologically valid, more morally sensitive, and more selective of men who at once have superior intellectual breadth and grasp, and also some warmth of affectional feeling for their fellow men.

*Conclusion:* I believe, finally, that without foreseeing the future in particular, there are aspects of it that are reasonably clear. They are resultants of (1) a new grasp of the nature of man and, (2) a new awareness of the interdependence of the success of our companies, our economy, and of our democracy—in a world where all of these are critically watched outside our borders.

This new grasp of human nature is in the acceptance of the truth that man is natively a cooperative, creative, communicative, community-loving person. That is the fact and that is good news. From the acceptance of this into one's thinking will surely flow new positive appeals and procedures. And these together will release energy, fulfill personalities, and strengthen our democratic society on both its material and moral side.

For at long last these two cannot be kept apart. A sound economy—one healthy, wholesome and free for individuals—will also be a morally and ethically defensible and strong society.

As managers face up to community responsibility in more informed ways they at the same time assume the rightful burden of their personal moral obligation. For morality has to do with the consequences of all our acts upon the quality of the selves of others.

From now on the obligation to manage well and productively becomes identical with the personal responsibility of every manager to act as a moral agent in all his activities. END


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# The Administration of Operations Research

**by J. W. Pocock**
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**Management wants the benefits of Operations Research, but first it must solve the problem of easing this rigorous discipline into the existing organization. Should you set up a new and separate operations research group, as most authors suggest, or should you integrate operations research into the established staff agencies? Then, there is the problem of what to look for when hiring operations analysts, of controlling these specialists who use techniques of analysis that most members of top-management do not understand.**

We have been talking in recent years about a broad type of technique for the analysis of operations in an enterprise—usually those enterprises in which the human equation has a very important part. These techniques generally aim at the more precise quantitative measurement of the operating patterns—the portrayal of these patterns in abstract models, usually of some mathematical nature, and so forth. We have come to call these analyses Operations Research, although whether this is a title properly descriptive of the work is still a point of some debate.

I'm going to confine my present remarks to administration in an industrial organization. These remarks are going to have a strong philosophical bent since, quite frankly, industry has not yet given much consideration to organization or administration of the problems associated with these techniques. At least, not under the name of Operations Research.

There are two broad points that should be defined. First, we talk of the methods of analysis themselves—the scientific approach, the development of mathematical models, queueing theory, linear programming, and so forth. All of these specific techniques, and many more, are good. They can bring great power to analysis of our management problems—they already have—but the catch is that the people who can execute these techniques don't grow on trees, they must be trained.

The executive or the staff man presently in industry usually lacks the academic training and the actual experience in the fields of science where mathematical manipulation, physical experiment, and so forth are the first order of the day. And, what's more, the specifics of these analysis techniques are not picked up casually by a business executive as a supplement to his other management analysis abilities. So, this is the rub: When we begin to talk of a specific kind of trained person to handle these analysis techniques we must immediately begin to talk organization and the place of the analyst within the organization.

This leads us to the second general point of definition in which we attempt to describe the place of the Operations Research analyst and the atmosphere in which he should work. We talk of staff relationship, reporting directly to the top executive; we talk about open doors to all of a company's operations, the relative freedom of problem selection, and so forth. When we start talking this way we are, of course, defining the organizational perameters which, to a greater or lesser degree, surround the work of most departments that have been analyzing management problems—operations, if you will—using a variety of techniques, and on the basis of these analyses recommending courses of action to management. I think we get tangled up on this latter point.

I believe very sincerely that the analysis techniques associated with Operations Research are extremely valuable and bring some broad new concepts to the American management scene. I think we must admit that the exercise of these methods has been somewhat sporadic and in isolation in past years. I believe that these techniques, by and large, must be exercised by individuals who have some peculiar experience in their use. But I do not believe that the best application of these techniques in industry will result, necessarily, if we form new and separate staff groups to exercise these techniques in relative isolation.

I propose to you that the concept of a separate group or office to undertake what we call Operations Research

is not compatible with the existing staff organization pattern of most companies —a pattern which has had some success over the past years. I expect violent objections at this point, so it's all right. Rather, I believe that the techniques and abilities which we associate with Operations Research should be integrated or infiltrated into the various existing staff activities whose historical concern is the analysis of operations in order to provide a basis for executive decision. In fact, it is my belief that the formation of a separate Operations Research group may often lead to emotional and jurisdictional clashes, thus obstructing the application of these techniques in a company's affairs.

### *Separate Or Integrate OR Into Existing Units?*

Controller's departments, industrial engineering dapartments, market research offices, plant layout groups, and others, have long exercised cognizance over various problem areas in industrial operations. Indeed, in many cases, certain of the methods which we today assign to the Operations Research portfolio have long been used by such people, although it is very true that the use of the more sophisticated techniques has not often been carried to the high order, nor has the leverage been extended across the total operations of the company. In industrial organizations we generally find our staff departments organized against a functional area—not necessarily around the use of a technique. Thus, statistical techniques today are used by the controller, the industrial engineer, the market researcher, and so forth, each for his own purposes.

I believe that the most successful adaptation of these techniques will be through what we might call an infiltration program which will locate individuals with specific competence in such analyses permanently within the various established firm departments, and, working with these departments, integrating their thinking and ability with those who are already present, will achieve a sounder and more rapid acceptance of our analyses methods.

As perhaps not too good an analogy, we might take the growth of the use of machine tools in American industry. We all know that the power driven machine tool brought production programs to an entirely new level of productivity. The concept behind machine tool development and design, the methods of application, the general requirement for mechanical ingenuity in their use was a new thing at that time to American industry. Yet, we do not find ourselves today with industry broken sharply between those who operate with machine tools only, and those who don't. Rather, the use of machine tools has spread through all industry where application was possible and profitable. The technique of production has now become one of the standard techniques of all large metal-working industries.

To those who would comment that our wartime experience with organization of Operations Research was different, let me make two points: First, there were few, if any, staff departments in existence engaged in analyzing military operations — I might say, combat operations — per se. With little or no staff of this nature, of course, the Operations Research people had to establish their own staff groups, and they used the newly coined name.

Second, a study of the actual Operations Research activities during the war will show that many times in actual practice the individuals in the various groups split away from the group and attached themselves to the various planning and control organizations down through the military echelons. So, here we often had, in actual practice, decentralization.

If my position is valid, we come to the problem of people — those individuals with the necessary experience and competence who are to be placed in the various staff departments and add their techniques to the total. We have talked a bit about the person most successful in this field, and the question is: Where do you actually get him? I think there is actually some question as to whether we have enough experience to really *know* what the characteristics are for successful Operations Analysts.

### *Need Agreement On Education Of Operations Researchers*

Some say that we educate these people into the field of Operations Research (at least, the first phase) through an academic curriculum. Yet a survey of programs of educational institutions by the Operations Research Society of America indicates that either there is a lack of awareness of this educational need or an inability on the part of institutions in general to get a definition of just what we need in the operations researcher and so have a basis for curriculum development.

Now, there's a reason for this. If we lump all of our spoken requirements, as we've spoken them over in the last several years, we find that we want a man from some scientific background wherein the more sophisticated methods of quantitative analysis are common, and with enough years of experience so that he can automatically and invariably bring the problems under scientific analysis. Yet, we all hope for a relatively young man so we can build him into the organization for years to come. We ask for a highly developed ability to get along with people, and that he be able to sell the recommendations to his management — this is notoriously lacking in most scientific analysts. We ask for considerable experience in his field of scientific endeavor — we need maturity. Yet, we ask for enough business knowledge to enable him to sit at the business conference table in unembarrassed communion with other executives. All in all, this is quite a guy!

### *Training Programs Unable To Produce Needed Personnel*

From the standpoint of formal education, we want perhaps four years of undergraduate work, the equivalent of two years graduate work in some scientific field, a year in some business school, and two years of outside experience. This is a very long row to hoe when you have a rather uncertain job opportunity ahead of you. Which business function does he belong in today? And, since the best men are those who invariably "get along with people", he's probably been snatched somewhere along the line by an organization that wants to train him for more general executive capacity.

I submit that we have quite a questionable area in this training matter. I don't believe that, based on expectancies to date, we can depend on formal training programs to produce the people we want. I suggest that, for some time in the future, we are going to have to rely on a more or less random search through technical ranks in an attempt to find people who have developed their competence, perhaps quite circumstantially, to the point where we believe they can be brought into staff analysis activities.

A few last words on control. One thing that bothers executives when they think about the use of these analysis procedures is just how they are going to

control the activities of their Operations Analysts. At least some of them have asked me the question. I don't think this is greatly different from the problem of control of time and effort of people in other staff agencies. Any staff analysis project needs some time for thinking and contemplation and during this time it may be difficult for the executive to tell whether the man is thinking or sleeping. The fact remains that there is probably less physical evidence of progress in a typical Operations Research analysis than in our other staff analysis procedures, and there is certainly a great deal more mental cogitation possible which is beyond the specific comprehension of the operating executive.

### *Building Faith In Your Techniques*

I don't believe that you can really control Operations Research projects in the most severe sense of the word. The company simply has to do the best job it can in picking its people, placing them in a staff environment where they will have the educated support of people already knowledgable in various affairs of the company's operations, and then watch a while and see if anything good comes from the application of these techniques. Since the true test of the Operations Researcher is whether he can build faith in his techniques, I think it's only smart that, in the initial tasks, he take on small and relatively simple jobs where the results will be easily understood.

The individual upon whom you depend to bring some of the quantitative analysis techniques into your staff activities may come to you fresh and full of ideas, but he can dry up very fast. He's working in a field where progress is highly dependent upon interchange of information as to analysis techniques—how to use old ones in other situations, and the development of new techniques themselves.

Therefore, it's well to see that your Operations Research man has an opportunity to circulate and exchange ideas on techniques with his professional colleagues. I'm talking about the circulation of ideas on techniques, not exchange of competitive and proprietary information. This is a distinction that some OR men in industry today find irritating to live with. So, have your men circulate to exchange their ideas, but be careful—don't get a professional circulator! END


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# Bottlenecks In Human Relations Training

**by Dalton E. McFarland**
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**It is commonly acknowledged that human relations is fundamental to the training and development of executives. Even the substantive content of human relations training does not vary greatly from one company to another. Far less common, however, are the knowledges and skills through which human relations training is made effective among executives. What are the problems involved in making training in human relations effective? What can management do to avoid or minimize these problems?**

THE effective development of human relations skills is seriously retarded by a widespread misunderstanding of the nature of human relations. The confusion about human relations is so great that many individuals react violently against the very term itself. The confusion lies partly in a discrepancy between the attitudes of businessmen toward human relations and the attitudes and logics of persons doing research in the field. In the businessman's language, human relations means open, friendly, harmonious relationships of a kind which promote rather than jeopardize the quantity and quality of the workers' output. The research man, in contrast, includes this view but expands it to embrace the study and explanation of phenomena surrounding the interaction of people under varying conditions. The research man rarely expresses value judgments about behavior; instead, he looks for principles that will enable him to predict the results of many different kinds of behavior, including conflict as well as harmony. The businessman's primary need focuses his thinking on the results he wants to get, whereas the research man wants to find out why things happen as they do and why things are related as they are. The businessman needs useful applications. The research man seeks scientific principles through observing the process character of human relations.

These two views are not necessarily in conflict. Indeed, they are two sides of the same coin. The advancement of knowledge in the human sciences, now going on more rapidly than ever before, is providing necessary raw materials for bridging gaps between theoretical inquiry and practical application. Researchers are educating themselves more adequately about the actual problems of businessmen. Businessmen are becoming more receptive and are acquiring more insight into the methods and purposes of the researchers, and are offering themselves and their organizations as subjects of research.

In spite of these favorable trends, however, the time lag between the urgent needs of businessmen and the pedestrian labors of the social scientist stands as a barrier to progress in human relations training. Weak or inaccurate conceptual thinking about human relations misdirects our energies and saps the vitality of any training plan. Succumbing to the urgency of our needs leads to the underwriting of fads and cults, to the adoption of "canned" programs, and to the practice of copying the training enthusiastically endorsed by others.

*Reluctance of Executives to Face Human Relations:* A second factor which interferes with the full effectiveness of human relations training of executives involves a pervasive characteristic of human relations. This is the fact that human relations consist of unpleasant as well as pleasant relationships. Executives often deny their wholehearted cooperation to human relations training activities because they fear, either consciously or unconsciously, to bring to light the conflicts, shortcomings, mistakes, and ignorance in their own behavior. Rigorous human relations training involves recognizing and dealing with the full range of human emotional experiences. It takes practice and experience to be able to do this with a certain measure of equanimity. Any human relations training activity which skirts the issues and fails to dig deep into situations which may be troublesome and painful can only be superficial. The fear and uncertainty which surround even the modest amount of probing into the genuine relationships between people which has already occurred have been sufficient to

arouse the antipathy and resistance of many executives.

*The Weight of Line Thinking:* Organizations vary considerably in the extent to which line and staff activities are successfully coordinated. A large number of organizations are strongly dominated by line thinking; that is, a tendency to give line executives a disproportionate share in the company's operations and to relegate staff work to a comparatively unimportant status. In such organizations human relations matters tend to be considered the province of the staff units. Since the staff groups do not enjoy a favorable status, human relations itself acquires a similar standing. The staff units must assume the initiative for persuading line executives to approve training plans, paving the way for the line men to regard the proposals as annoyances and distractions. To adjure the training department to "sell" a human relations training program under these conditions is to oversimplify the problem.

## Intangible Results Make Training Hard To Sell

Line-dominated organizations may find human relations training blocked for still another reason, especially where the tradition of line authority is long in years. In such organizations the experienced line executives may have strong feelings of superiority based on demonstrated technical proficiency in their jobs. They may also bear resentment, either latent or manifest, toward the college trained specialists who are trying to tell them how to behave.

*Measurement of Results:* A fourth factor which affects the development of good human relations training among executives is the difficulty of measuring results in quantitative terms. At the outset of a human relations program, the specific outcomes are uncertain and the kind and amount of benefits management can expect are not entirely predictable. This situation lends an aura of generality to the whole training procedure, so that what the training man may perceive as specific objectives appear to be much more general both to the participants and to the top management men who must evaluate what is going on.

One of the important techniques of a good training man is to formulate the specific objectives of the training which he wishes to carry out. However, the human relations area of his subject matter presents more difficulty than other areas of training. It is most difficult to make explicit the objectives of human relations training. More often than not the phraseology is too vague. Objectives stated in terms of "improving productivity" or "getting people to cooperate better" or "increasing job satisfactions" are not sufficiently clear.

## Executive Pressure Causes Window-dressing To Impress

The difficulty of measuring the actual accomplishments of human relations training quite naturally causes the administrator carefully to scrutinize his budget before making an outlay for human relations training. In times of relative prosperity he will perhaps allow more money for this purpose than he will in times of financial retrenchment. At any time, however, he must be ready to justify his decisions. Therefore, he transmits pressures in this direction to those who are engaged in the training. When the training group feels this pressure, it finds it expedient to develop the more external and superficial aspects of the program in order to have something to show the boss. Hence we find that the training materials consist of elaborate and pretentious art work, record systems and report forms, slavishly-followed outlines, and relatively little serious attention given to objectives, subject matter, or methodology. Emphasis thus goes to the window-dressing, and the real essence of human relations training is not allowed to penetrate as deeply as it should.

*Value Judgments:* Many statements of the training objectives in human relations contain implied value judgments against the present or past behavior of the participants. For example, a training course which attempts to improve cooperation between individuals implies that in the past those individuals have been poor co-operators. People do not like to be told, even indirectly, that they are weak or defective in their human relations skills, for we all grow up in an environment where a constant and more or less successful association with people leads us to the comfortable illusion that we are experts in human relations.

A recent study of resistance to training on the part of foremen has implications for human relations training among executives.[1] This study attests that resistance to training is intensified by unduly optimistic expectations by management concerning the results of the training coupled with a corresponding pessimism among the individuals to be trained. The researcher found that management's goal in foreman training was perfection. The company's foremen were not "all they should be." Instead of evaluating the proposed training on its own merits, the foremen perceived the purposes of the training to be other than those management expressed. They saw it as a threat to their pictures of themselves in relation to their jobs and to the company. They reasoned that the company had always regarded them as capable men, so why should the company suddenly begin to demand perfection?

Perfection implies a value judgment which levels criticism at the unfortunate individuals whose behavior has been less than the desired standard. Resistance is a defense against the threat to the executive's role and status as he sees it. The implication is not that high standards of accomplisment must be abandoned, but rather that the nature and sources of resistance must be recognized and brought under management's administrative control.

## Subordinates Say The Boss Needs The Training

*Lack of Human Relations Skills:* Deficiencies in the human relations skills of higher executives often keep subordinate executives from taking part in a program designed to improve their human relations. All too often an executive goes to a training course or program in human relations hiding his resentment toward his boss, whom he thinks needs the training worse than he does but who does not have to attend. In the words of one executive:

> *"Sure, I learned a lot about human relations. But when I got back to my department I couldn't use much of what I had learned. Whenever I tried the boss laughed at me and said I would soon forget all that nonsense. He's the one who needs the training... you should be in our plant and see how he acts...."*

Human relations skill is strikingly absent among many executives who are extremely capable of verbalizing human relations principles. They have a flair for the jargon of human relations, yet

they are completely unable to put into effect in their own human relationships the skills of which they speak. Moreover, they are quite blind to this personal deficiency. The following statement by a young executive illustrates the point:

> *"I've got a problem I want to discuss with you. We've got two men in our company who are really well known around the country for their ideas on human relations. These men are top executives in my company. They are in demand all around as speakers on human relations. They can give a talk on it without any trouble at all, and spend a lot of time going around to meetings and banquets giving speeches on the subject. But you know what happens? In our own company neither one of these fellows can see any of the human relations problems. Their own human relations couldn't be worse. And the trouble is—they don't even realize it!"*

*Developing Human Relations Skills:* What can management do to get the most value from dollars spent on human relations training? There can be no doubt that this is rapidly becoming a matter of prime concern to top management executives whose responsibility it is to make the ultimate evaluation of the program's success.

## Human Relations Training A Complicated Problem

The following comments and suggestions are drawn from discussions with executives working on executive development programs, as well as from a number of close personal observations in a variety of manufacturing companies. These suggestions are not to be looked upon as a guaranteed formula for success, but it is hoped that they may stimulate careful diagnosis and a rethinking of one's plans for training executives in human relations skills.

*Recognize The Complexities:* A top executive who has acquired familiarity with some of the complexities involved in the application of human relation skills has gone far toward understanding the fundamental basis upon which successful training programs can be built. Recognizing the complicating factors inherent in human relations should prepare the executive successfully to face and deal with the problems which inevitably arise. For example, when he discovers that many executives are resisting the suggestion that they participate in a human relations program, he can respond to this situation constructively rather than by losing his temper. He will do this because he understands that the resistance of his executives is the product of causal factors over which he himself has exercised considerable influence. He will seek to discover the real reasons underlying the resistance he has encountered.

## Unlimited Opportunity To Acquire Skills And Insights

Achieving the understanding and insight about human relations skills to the degree that he can recognize their complexities will serve the top executive in other ways. It will help him improve his own human relations skills, thus avoiding some of the criticism subordinates make. Recognizing the complexities will also help him adjust the pace and timing of human relations training, curbing the tendency to rush headlong into programs without planning. He will have no need to demand immediate results, which he might judge against perfectionistic standards. He will recognize the slow, developmental character of human relations throughout the working group.

Where can the executive acquire the skills and insights he needs? Today the opportunities are almost unlimited. A rapidly growing number of articles and books provides a reservoir of ideas which an intelligent executive can sort out for his own use. Another resource which is rapidly unfolding are the human relations and executive development programs and special courses widely offered in our universities. As a top executive he already possesses a rich fund of experience. His remaining task is to enrich this experience with the teachings derived from modern social science research. To become skilled in human relations he needs to acquire the habit of precise observation so that his ordinary day-to-day experiences become more meaningful to him.

*Shun stereotypes:* The widespread popularity of human relations as a label has obscured the truth lying underneath. The world of business abounds in easy phrases, catch words, clichés, formulas, and stereotypes. These language difficulties make clear thinking about human relations more difficult. They make it possible for an executive to be satisfied with the human relations training program which does far less for him than it should. Therefore, an executive should plan the human relations phases of executive development with extreme care. He should make a special effort to push the training below the surface labels and lay bare the full range of behavior on which human relations training sheds much light.

*Selecting Human Relations Practitioners:* The best of planning can easily be vitiated by a mistake in the selection of the persons to whom human relations training is assigned. Two principal choices may be made at this point. On the one hand, the planning executive may wish to permit the company's training department to handle the responsibility. This would depend upon his opinion of the abilities of the people already presently employed in training, or upon his knowledge of some other person in the company who could assume the responsibility though he is at present not working in training.

On the other hand, he may feel that a better start can be obtained with outside consulting assistance. In the beginning at least a consulting arrangement offers considerable advantages. First of all, it provides trained and experienced people with a record of past performance than can be scrutinized. The consultant can devote his entire attention to the project and will bring to bear on his problems the pooled experience gained from a number of other companies.

## Careful Selection of A Training Director

Whether the responsibility for human relations training is assigned to a present employee or to an outside agency, or to both, the fundamental principle of importance is that the person who is sparking the operation be wisely chosen. It should be remembered that a man who can do this job well is rare. It is also helpful to remember that the person who can best develop human relations skills in others is not necessarily the individual who knows how to skillfully verbalize on the subject of human relations.

It is not always easy to distinguish between quacks and non-quacks in human relations. The number of people professing to train others in human relations skills is large, but the number meeting with genuine success is relatively small. Not all of the quackery in human relations is deliberate and willful.

But this is an area where best intentions are not enough. The number of men who deliberately attempt to defraud may be small, but the much larger number of people who are unintentionally inept or who, through ignorance, make mistakes can do untold damage to an organization. The kind of damage they do, moreover, is not easily overcome. It takes a long time to get over the effects of poor attempts in human relations training. Sometimes the bad start cannot be rectified at all even by the most skilled of practitioners.

An almost certain mark of ineptness in human relations skill is the practitioner who peddles a ready-made human relations training program which he claims will be effective in any and all situations. A person who thinks he has all the answers should be suspect. On the other hand, the person who says "let me examine and observe your situation so that I can determine what your problem is, then I will make a specific recommendation as to the best methods of solving the problem—and this may or may not involve training," will in all probability be a man of integrity.

Behavior is the supreme test of human relations skills. Changed behavior is the acid test of successful human relations training. A certain company had an experience which bears this out. For over a year it had subjected its supervisors and junior executives to a course put on by a commercial enterprise specializing in human relations training. For a while all went smoothly. Participants in the training voiced their appreciation freely; everyone enjoyed it and no one expressed overt disapproval. Yet within six months after the conclusion of the training the awareness grew that the effects had worn away. People reverted to their former habits, and the executives wondered why.

The precise reasons for the failure in human relations training described in the above example would be complex. But it is clear that, in part, the trouble can be ascribed to the imposing of training on individuals from above. The needs were defined and determined by top management, not by the individuals themselves. Being loyal employees, they did their best to live up to the stereotype of "interested and cooperative employee" expected of them. They even enjoyed some of the things that went on at the meetings. But back on the job with their day-to-day work they found they had brought away no real skills useful in handling their problems. The layer of sweetness and light they were taught to masquerade under was punctured by the brutal realization that, after all, the guy they originally thought was a real heel was just that and they still didn't know what to do about it.

How can the true needs of executives be determined? The problem is to tap their experiences so as to get a clearer picture of the things that matter to them. They will not necessarily tell what their deeper problems are when they are merely asked. First, they must feel sure of a sympathetic hearing and the understanding of others who have experienced the same or similar problems. All of the frequently offered advice on how to listen to employees applies to this problem.

Principles and practices of group training are gradually evolving which furnish concrete methods for proceeding with training that is responsive to felt needs. One suggestion is to use case materials developed by the participants themselves. Thus they provide their own raw materials for common discussion and analysis. The interchange of information and experience represents a pooling of vast resources. The discussion is held to specifics rather than generalities.

*Conclusion:* Executives readily admit that they work with people, yet to a great extent they are still unaware of the bulk of human relations problems. If they are aware of these problems they prefer to ignore them and instead concentrate their energies and skill on the technicalities of production. This is attractive and easy since production is immediately valuable and readily measurable.

On the other hand the value of human relations training is realized slowly if ever. The benefits of this training are largely intangible. Management can rightly insist that it cannot measure what it is paying for; but it is sheer nonsense to expand this to say that because results are difficult to measure management is getting nothing from human relations training.

### Know Where You Fit . . .

**Everyone in an organization should know who's who. Everyone should know where he fits into the organizational pattern. He should know his superiors and his proper relation to them—not so he will know when and where to kotow, but so he will know to whom he may go for advice and counsel, to whom he must look for supervision, and to whom he may turn if necessary to find access to still higher authority. Sometimes an organization in which lines of authority are hopelessly confused rationalizes by explaining that clear-cut lines are unnecessary because everyone is so cooperative—it is just "one big, happy family." But men cannot do their best floating aimlessly about in a sea of ill-defined "cooperation." Good intentions and mere cooperation is not enough. To be effective, cooperation must be directed. It must follow some pattern or plan.**

*From ORGANIZATION by Roy F. Hendrickson.*

### *Management The Bottleneck In Human Relations Training*

People change their attitudes slowly and management is deceiving itself if it thinks that a few pep talks liberally sprinkled with reprimands will do the job. Developing skill in human relations requires much training and takes a long time. Such a long-term program with no easily measurable benefits is a challenge to management. Management itself is the bottleneck in human relations training. Will it have the foresight and the confidence to accept the challenge?

[1] *James R. Surface, "Resistance to Training,"* Harvard Business Review, *Vol. 32, No. 2, March-April 1954, pp. 73-78.*

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# A Program For Motivating Salesmen

***William W. Bryan***
***Regional Sales Manager***
***Northeastern Area***
***Marketing Department***
***Esso Standard Oil***

**Motivation—the energy to get up and go—is basic to all human work. When there is no action, there is no production. Where management and workers are in close contact, as in the factory and the office, motivation is easy. There is the drive of team spirit. Salesmen, on the other hand, work for days and weeks alone, without seeing their supervisor. To use the occasional meetings to best advantage requires an exceptional grade of leadership.**

WE ALL know that salesmen are motivated by the same forces that motivate all of us—Pride, Gain, Fear, Imitation, and Rivalry.

I will attempt to outline some of the methods we might use to appeal to these motives with the result of getting more productivity from our sales groups. Although some of the points raised will apply to all salespeople, my presentation deals primarily with outside or field salesmen. In my company we have several types of outside salesmen.

The Specialty Salesman, who calls on the wholesale and retail drug and grocery trade.

The Industrial Salesman, who is usually an engineer, contacting the manufacturing trade.

The Fuel Oil and Burner Salesman, who contacts household accounts.

And our largest group, which we call Dealer or General Salesman.

These men contact our service station dealers, and not only sell our line of oils and greases, but also offer a complete line of automotive accessories and merchandising aids. They handle contracts, leases and maintenance. Their duties are varied and complex, and the proper training and motivation of this group represents our greatest problem.

Our most recent approach to this problem has been a research program to determine how to select sales candidates with good motivation. It was expected that our research would accomplish two basic things:

(1) It would increase our "batting average" in picking more men who are like our present BEST salesmen, and (2) By a reasonably broad use of the Questionnaire, we might "uncover" some men with good potential a little sooner than otherwise might be the case. Therefore, management would have more time for appropriate training of these people early in their company careers. Thus, both the company as a whole and its individual employees would benefit.

The final Questionnaire was completed and printed the early part of 1954, has been in actual use since April 1954. The Questionnaire may be described as follows:

(1) It has 6 main sections, printed separately; 2 of these are timed tests which tap specific abilities, such as arithmetic and vocabulary. The other 4 sections have no time limits, and are made up of questions about the individual's personal background, general attitudes toward work, and practical sales judgment.

(2) It requires about 2½ hours to answer, on the average.

(3) It is scorable. Men who obtain high total scores answer it like our best present salesmen.

(4) It may be given and scored the same way in all our Sales Divisions.

(5) It can measurably improve our good sales-selection "batting average."

In order to design this Qualification Questionnaire, four major steps were undertaken:

(1) An extensive job description to determine the tailor-made content of the "try-out" experimental questionnaires.

(2) Identification of the BEST and the LEAST GOOD present salesmen to establish a management yardstick for the future.

(3) Giving the "try-out" questionnaires to all present salesmen to find out the patterns and answers characteristic of the two extreme groups.

(4) Statistical analysis and revision

to remove the non-useful original material and to devise final scoring procedures.

To consider the major steps in greater detail:

In the first step we examined the literature on previous studies of salesmen in other companies in order to obtain background ideas. Then expert opinion was obtained from our top marketing management and from outside consultants in order to get a complete picture of their understanding of the General Salesman's job. Opinions were also obtained from 11 Division Managements and some 60 District Managements in the field. At this time the relative importance of some 48 duties of the General Salesman was determined as well as opinions about how the best salesmen go about pursuing these duties. Finally, a number of salesmen were directly observed in action during a typical day's work.

### Traits Needed For A Good Selling Job

As a result of the first step, we identified certain areas for investigation of our sales job which might be measurable. These were:

(A) General Mental Ability
(B) Good Health and Attitude Toward Health
(C) Degree of Interest in Selling
(D) Practical Judgment in Typical Sales Situations
(E) General Attitude Toward People and Human Relations
(F) Adaptability to Daily Change (Flexibility)
(G) Attitude Toward Childhood, Family, Past Jobs, Supervision, and Controversial Issues
(H) Leadership Habits in Common Situations
(I) Planning and Organizing Ability (Self-sufficiency)

The makeup of the experimental questionnaires came last in this first step. The tests and questions which were designed required the present salesmen to make 1,096 judgments, which took them, on the average, from six to seven hours to complete.

In the second step a large number of judgments of management people were obtained in order to identify the most effective salesmen in our present staff. It was necessary for management to establish the "yardstick" group of present salesmen in order to set up new procedures which would help us to select future salesmen like those which we consider now to be the best. Extensive ranking procedures of all 328 General Salesmen were undertaken in order to set up these evaluations.

The third step involved giving the experimental questionaires to all our Salesmen (split into two matched groups). It was important for us to find out whether or not our *BEST* Salesmen answered our experimental questionnaires differently from our *LEAST GOOD* Salesmen. Most of the questions had no obviously "right" or "wrong" answers. The final "right" answers are the answers which were given to us by our best salesmen.

In this third step an effort was made to explain the research study in some detail to all the present salesmen who were asked to participate. We desired to obtain sincere, honest replies from them, and we assured them of anonymity with respect to these replies (in so far as management was concerned.)

In the fourth step the final statistical analysis was completed, the questionnaires were shortened to approximately 1/3 of their original length, and the scoring procedures were set up.

Shortly after this time the final questionnaires were printed and the means of scoring and interpreting the keys were explained personally to members of field management who were to use the Qualification Questionnaire to help them in their future selection of General Salesmen.

### Selection Of Good Salesmen Essential To Organization

This work has provided us with a series of tests for the selection of new salesmen; we also have a wealth of material for the training of our existing salesmen because we have found that successful salesmen use certain approaches and have different ideas of selling than is the case with our less successful group.

Certainly the selection of good sales material is the most important step in building a successful sales organization. We must have people who will and can respond to the different forms of motivation.

Having selected the best material possible, we must properly train these salesmen. We know that confidence and enthusiasm gives a man the courage and stamina he needs in today's competitive selling, and we can give him this confidence and enthusiasm by developing his knowledge of our company, our policies, our products, his competition and his potential; and by coaching and directing him on how to plan and present his sales story.

Practice sales demonstrations with the use of a tape recorder are an effective training procedure. Watching an experienced salesman and on-the-job coaching by the Sales Supervisor is, of course, our most effective training procedure.

Sales training is a continuing project. We must constantly give refresher courses in sales techniques, and even where there have not been frequent product changes, we find salesmen become lackadaisical in presenting product advantages.

### Communications As A Tool In Salesmen Motivation

Thus I think we can agree that constant training is essential to build confidence and enthusiasm in our sales group.

I would next pick *Communications* as a tool of sales management for the motivation of salesmen. We hear of the importance of communication in industry among labor groups, in bringing about a common goal between Management and Union; however, its value for this purpose is insignificant as compared to its value in stimulating a sales organization.

For example, industrial and office employees, clerks, etc., work in groups, usually in a team activity. Each member has to keep up with other members of the group. Supervision is constant, communication is possible between members of the group throughout the day, and an exchange of ideas is comparatively quick and easy. Contrast this with the outside salesman who is working as a lone wolf at least 90% of his time, without supervision, without opportunity to observe or exchange ideas with fellow workers.

If sales management is to appeal properly to the motives of rivalry and imitation, as well as pride, it must have good communications, such as sales bulletins, magazines and letters containing information about contest results, product and policy information, new sales ideas, promotion stunts, advertising efforts, etc. Meetings or conventions offer a more important means of communication where the same type of sales

information can be conveyed, and also where a feeling of team effort can be generated. Meetings offer the best opportunity to recognize outstanding performance and to give salesmen confidence in the management of their company. They give an opportunity for top management of all segments of the company to participate in the problems of the salesmen and give the salesmen a sense of belonging.

## Selecting A Compensation Plan Important In Training

Financial incentives quite naturally furnish our basic motivation. Without money none of us would work. If the compensation is too low to maintain what the salesman considers necessary for a desirable standard of living, he will look for employment elsewhere.

On the other hand, there is considerable information to show that some salesmen will work only hard enough to satisfy their needs, when with extra effort they could make additional pay.

The selection of a compensation plan is one of the most important duties of sales management, and there are many advocates of each type—straight commission, straight salary, salary and bonus, commission and drawing account, etc.

Unfortunately, there has been very little research or statistical backing for the selection of any particular method. Compensation plans have been selected on a trial and error basis, or on a sales manager's hunch. Recent interviews with sales executives by S.A.M. reveal that the preference is for a fixed minimum salary—enough to assure the salesman security — plus commission. Surveys show this type of compensation plan is the most popular with salesmen, and one company found it a 14 to 1 favorite with the wives of its salesmen.

Many types of selling are not suitable for commission compensation, but salary and bonus arrangements are possible. If bonus plans are instituted, payments should not be on a year-end basis; plans should provide for at least quarterly payments to keep interest high. As Aspley in his handbook says: *The basic control in sales management is the incentive program provided by the compensation system.* While Tosdal adds: *The prime motivation of sales work is for the great majority of salesmen the money compensation which they expect to receive from it.*

However, Aspley adds: *If salesmen make a lot of money easily they are able to satisfy their financial needs with a minimum of effort, and therefore are not inclined to exert themselves.* And Tosdal says: *Financial incentives appear to be particularly effective with salesmen, but an impression that financial incentives constitute the only incentives to which salesmen respond is far from correct — in this respect salesmen are not unlike other workers.*

Thus they have pointed up the necessity of providing well thought out compensation plans that will result in greater sales motivation.

Sales Managers generally agree that contests, special promotions, prizes, honor awards, and other special incentives are important tools for motivating salesmen.

A spirit of competition is important in building a hustling sales team. Since sales performance is relative, contests provide salesmen with an opportunity to prove their ability. All wish to win or place near the top. Many fear to be at the bottom.

## Contests Provide Chance For Recognition

Every worker likes to display his handicraft; he wants recognition for good performance and if he doesn't get it his production will suffer. A salesman takes pride in his skill in closing sales. His handicraft can be recognized only by the success he has attained relative to others. Contests furnish a method of measurement for him to prove his worth.

Salesmen, being extroverts, and because of the nature of their work, react more favorably to recognition than do other types of employees. Thus we find that many Sales Managers get excellent results with the use of Honor Awards. This type of promotion, to be effective, should be publicized through all available channels of communications.

The last and most important tool for the motivation of salesmen is good supervision. Good supervision is not only responsible for all the other items that I have talked about, but many additional items that make salesmen better producers, such as (1) the proper assignment of territories, (2) the proper use of quotas or objectives, (3) the type of price and distribution policies used, and (4) the administration of personnel policies.

Most important is the regular day-to-day coaching of the individual salesman, and the discipline or replacement of the salesman who doesn't make the grade.

There have been many speeches and papers prepared about how to improve the productivity of salesmen which have failed to highlight the real cause for the difficulty in most organizations—a lack of good supervision. I think we have devoted too little time to the training of the sales supervisor, compared to our efforts on behalf of the salesman. A good supervisor demonstrates sales techniques on a difficult prospect. He knows when to praise and when to criticize. He helps to plan presentations, instructs on the use of visual aids, is constantly training and developing his group. He also is not too slow in removing misfits.

## Lack Of Good Supervision Often A Basic Difficulty

I would emphasize this last point. Since we judge sales performance on a relative basis, we can assume that the salesman paces himself against the others in the group. Some salesmen who will not exert themselves for financial incentives beyond a certain level, or to secure a top position in a sales contest, nevertheless have an understandable fear of being in bottom place. They are not quite as concerned about their own poor performance if they know that other salesmen in the group are doing worse. Thus it is necessary to remove laggards, not only because of their own poor performance but mainly because of their effect on the rest of the group.

In summing up, I should like to again bring to your attention the main points I have covered in this subject.

First, we must select salesmen who can be motivated; salesmen who react properly to various incentives.

Second, we must train our new men and keep training our present salesmen.

Third, we should use good communication methods to take full advantage of the motives of pride, imitation and rivalry, as well as to impart knowledge and exchange ideas.

Fourth, our compensation plan should be carefully tailored to fit the needs of our organization.

Fifth, we should use contests, special promotions, prizes, and awards, to take full advantage of the salesmen's desire for recognition, and competition.

Sixth, we should remember that nothing can substitute for good supervision or good management. END

*THEODORE S. LISBERGER went to work for General Electric, as a sales engineer, upon graduation from M.I.T. in 1938. In 1946 he became a project supervisor in GE's Visual Education Division, combining his technical experience with his avocations: writing, teaching public speaking, radio and TV acting. In 1948 he joined the Community Relations Services Division. When GE's Education and Training Department was activated in 1953, Mr. Lisberger became a part of it, advising and counselling all departments on Employee Relations training subjects, developing training programs and training conference leaders.*

# The Case Method In Supervisory Training

***by T. S. Lisberger***
***Training Specialist***
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***Services Department***
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**It is easy to see the faults of others and to criticize their behavior. It is convenient to expect others to change their behavior while we remain the same. If you recognize these attitudes in yourself and in your supervisors, then it is time for a careful self-examination. As a method for getting supervisors to examine their on-the-job behavior, few approaches can beat the case method.**

WHAT is meant by the case method? It is practiced with many variations, but the fundamentals are constant.

The basis of the method is *discussion*, with the case used as the generator of the discussion. Participants study a case—an actual situation and events taken from real life involving the actions and interactions of people. The case may be presented in writing or in a motion picture, sound slidefilm, skit, cartoon strip, recording, or in any combination of these. The case can be simple or complex, long or short.

The participants then discuss the case, led by a person skilled in this method. The essence of the method is that the leader does not tell the participants what *he* thinks—he does not tell them what *they should* think. Instead, he encourages them to think for themselves and he helps them to see why they think the way they do so as to help them gain insight and understanding of themselves and others. The leader controls the discussion, but not by doing the thinking for the group. He establishes the climate of the group, forces them to come to grips with the problems in the case and in the discussion of it.

*Why This Method:* This method is used because many human relations problems we run into cannot be solved by the application of simple principles. Take some cases from your own experience. Most often was it not a problem in analyzing, in using insight and judgment, in being sensitive, objective, and in communicating? These abilities are developed by experience more than by study of principles or rules. And this is one reason for using case discussions—they are experiences.

But human relations learning needs to be still more than the mere adding of new experiences. Experience makes poor supervisors as well as good ones. The case discussion method provides the "more"—which is first the re-evaluation of past experiences and then the adding of new *evaluated* experiences.

Managers and supervisors come to a discussion conference having learned during their lifetime a lot about people and why they act as they do. So if their previous ideas are to change, *unlearning* must occur before people can have new values supplant old. This unlearning and relearning occurs in case discussions properly led.

*Changing Perception:* The workings of the case discussion method are best seen in terms of one person; let's call him Joe Manager. We use this method with Joe because we want to help him work more effectively with others, we want him to use better judgment in preventing and solving human relations problems, we want him to be less impulsive and more objective. We want to change the way Joe will act.

Since we want to change the way he acts, we had better start with why he acts the way he does now. Stated simply, Joe reacts to a situation in accordance with what he perceives. So we need to understand what affects his perception—what affects the way he sees a situation involving himself and other people.

In looking at a situation, Joe's perception of it is influenced by his general attitudes about people and his feelings about himself. These act as a "window screen" through which he sees the situation, and this screen may have some blind spots. This is true of all of us; it is neither good nor bad, it just is. Fig. 1 illustrates this concept.

We all have some fixed attitudes or assumptions about people and about ourselves; like these, for example:

*People are (or are not) basically honest and trustworthy.*
*Fear makes people work better.*
*All redheads are hotheads.*
*Money is all it takes to make people happy.*
*People of low intelligence don't need to feel important.*
*Others react to things the same way I do.*
*Subordinates won't respect me as a boss unless I order them around.*
*People are motivated mostly by logic and reason.*
*If I admit I don't know, I'll lose people's respect or if I ask my subordinates for their ideas they'll respect me more.*

## Supervisors Learn That Others Have Similar Problems

We learn our attitudes from experience and often we aren't aware of them. But we do have them and they *pre-* determine the way we will react to a certain stimulus. Attitudes govern our actions, and they get in the way of our seeing anything that denies them.

Joe has some attitudes like those listed above and they govern his perceptions and his actions.

Now if we want Joe to change his actions, we could try to tell him how to act, we could list for him some rules of conduct, we might even lecture him on some general principles of human behavior. But this won't change his behavior much because it will have little effect on his attitudes. Attitudes are not changed by what we are told. They are changed from within by what we *experience* and discover for ourselves. Everything Joe is told will still have to go through his "attitude screen" when he views a situation. Anything that doesn't agree with his attitudes will be filtered out.

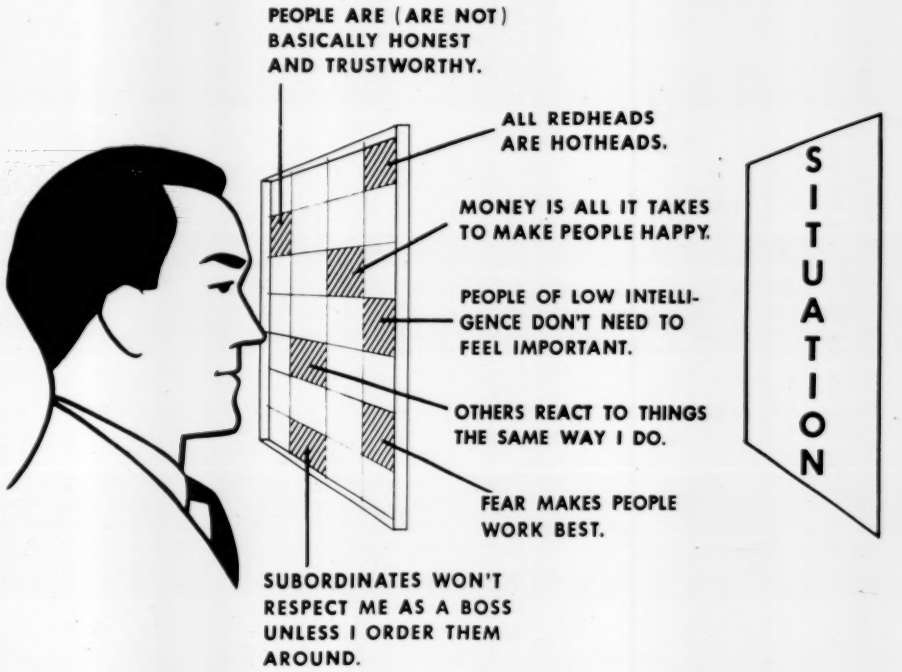
What we need to do then is to help Joe remove any of the attitudes which are causing blind spots in his perception. The case discussions do this. They are new, evaluated experiences which cause Joe to re-examine and change his old attitudes.

The basic result of the conference is changed perception. The way Joe sees situations involving people is changed. Joe sees problems more clearly, more objectively, less impulsively, and more broadly. Since he reacts to what he sees, and since he now sees the situation differently from the way he would have seen it previously, he acts differently.

*How Attitude Changes Occur In Case Discussions:* Now it is time to enter the conference room and see how changes occur in Joe. Joe may be a foreman, accounting supervisor, superintendent, sales manager, engineer, or vice president; the result is the same.

Joe studies the case in question. He thinks about it since he will present his thoughts about it to the other participants, or he will listen to the others' ideas.

The leader keeps the discussion focused so that much of Joe's talk about the case is in terms of *what he would do* (or would have done) as one of the characters in the case, and *why* he would do it. This results in Joe expressing his attitudes, values, and motives about managing and people; and it brings out Joe's attitudes about himself.


PEOPLE ARE (ARE NOT) BASICALLY HONEST AND TRUSTWORTHY.
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MONEY IS ALL IT TAKES TO MAKE PEOPLE HAPPY.
PEOPLE OF LOW INTELLIGENCE DON'T NEED TO FEEL IMPORTANT.
OTHERS REACT TO THINGS THE SAME WAY I DO.
FEAR MAKES PEOPLE WORK BEST.
SUBORDINATES WON'T RESPECT ME AS A BOSS UNLESS I ORDER THEM AROUND.
SITUATION

Each person in the conference, including the leader, has a different set of attitudes and experiences — a different "attitude screen" — so each one sees the case differently. The leader's role at this point is to establish and maintain a climate in which Joe and the other participants will express freely their different points of view.

Now what happens to Joe — not at once, of course — after discussion of a number of cases? First, he begins to realize that each person sees the same case differently, and one result of this is that on his job he no longer expects everyone to see things just like he does. He is more accepting of the ideas of others. He listens better. He becomes more sensitive to the needs and feelings of others.

He goes beyond the Golden Rule. Instead of treating people the way he would like to be treated, he recognizes that other people may want to be treated differently from the way he would. He tries to find out how the other person feels instead of trying to imagine how *he* would feel in the other person's shoes.

He becomes more sensitive to causes *behind* behavior, and he is better able to get at the *real* problems, rather than the ones that appear on the surface. He becomes more adept at both anticipating and solving human relations problems. Because he is *experiencing* these things rather than being told about them he learns not just words but he develops new ways of thinking and feeling about others.

A second and equally important result is that Joe sees how much difficulty others are also having at finding solutions to the problems in the cases. So, he thinks: "It makes me feel better to know that others have as much trouble as I do finding answers to problems."

This can help Joe on his job because the fog of worrying about what seemed to be his own inadequacies will be removed and he can then see the problems at hand more clearly. Also, he will feel less need to bluff or otherwise hide his difficulty in finding answers.

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A third result is the development of Joe's judgment, insight, and understanding of himself and others. That happens in this way: as Joe listens to others present ideas which are different from his on the case, he is stimulated to re-examine his appraisal of the situation. He checks his ideas against the group's The others and the leader ask Joe questions like this, taken from an actual group:

**Leader:** *Joe, you said the supervisor in this case should put a less intelligent man than Sherman on the job because Sherman needs to feel a real sense of making a contribution. Are you saying that less intelligent people have less need to feel that they are contributing to something important?*

Questions like these make Joe re-examine for himself and possibly revise a basic attitude which has been influencing the way he works with others.

In another group, insight was developed in this way:

**Leader:** *Jack, you say that if you were the foreman in this case you would not let the men help to decide how they would arrange to share the unpleasant temporary work. Why not?*

**Jack:** *Well, they wouldn't respect me. I'm their boss and I'm supposed to tell them what to do.*

**Leader:** *I see. Well, suppose you and a few other foremen were going to have to do some extra work that you didn't like to do, Jack. How would you feel about your general foreman if he came to you, said here's an extra job we have to do, told you why, then asked you and the other foremen how you would like to arrange a schedule for the group to split the load. Would you lose respect for him?*

**Jack:** *Well, uh—no. I see what you mean.*

A fourth result is the development of habits of independent and specific thinking, which happens when the leader asks:

**Leader:** *Joe, you said that if you were Mr. Morton, in this case, you would communicate with people. Would you tell us exactly* what *you would say and* to whom?

Questions like these help Joe to develop the habit of *specific* thinking, to stop fuzzy generalized thinking. He also gets practice in *talking* and *listening*, hence increases his skills in working effectively with others. He can test his ideas on the group and see how they are received. Role playing fits naturally into this part of case discussions.

## Conferences Help Educate The Supervisor

Through a number of such case discussions Joe is exposed to new experiences, gets practice in discussion and listening to other people's viewpoints. These experiences, plus evaluation of Joe's ideas about them, help Joe develop his judgment and his ability to think independently and more maturely. Through evaluating his own attitudes, he broadens his insight and understanding of himself and others.

When Joe is on the job, after he has participated in a series of conferences, when a problem arises he will see it a lot differently than he would have before the conferences.

He has fewer fixed attitudes about people in general, he sees problems more clearly and objectively because some of the blind spots in his "screen" have been removed.

He is alert to causes behind *behavior* and is more inclined to seek the *real* cause of a problem rather than to jump to conclusions or act impulsively.

He can see more clearly how *his actions* affect the behavior of others.

Joe has learned a new way of thinking about people. The result is prevention of and better solutions to problems.

In all his relations with others Joe is a more cooperative individual himself and is better able to motivate others to give their full cooperation.

## Examples Of Improved Behavior Results

*On-The-Job Results:* The real pay-off of any training program is improved behavior on the job. Ferreting out this type of information is not easy, but it can be done through planned interviews and informal follow-up contacts. Information gained in this way is more valuable than attitude questionnaires or anonymous comments of participants as to how well they liked the program or what they feel they learned. A few examples of results follow.

A foreman known for impulsive action and for readiness to "lace into" people reported how, after a conference series, he had caught himself before bawling out a girl employee who was "doing lousy work." He remembered his experiences in the conferences and instead of "lacing into her" he began by asking questions. He learned through the questioning that the girl had good causes for her actions, and he helped her to solve her problems instead of antagonizing her.

In one large department grievances claiming unfair treatment by foremen decreased measurably after all the foremen, general foremen and superintendents participated in a case discussion program. Foremen and general foremen had been in one series of meetings and the superintendents had attended a separate series of conferences. When a large layoff was necessitated by changing business conditions, it was reported that the layoff was accomplished with

less friction and ill feeling than ever before. The foremen said or read to employees the same type of information that had always been used in the past, but this time it was reported that a different attitude was present and was sensed by the employees. Employees were given more chance to talk and question. "We made money from the discussion program," the personnel supervisor said.

## Tangible Results Of Conference Influence

In an office group of middle level executives several reported that they had solved problems with individuals that previously appeared insoluble except through discharge. One manager had a long-service employee whose work had deteriorated badly. His talking to her had done no good. Through the new ideas he had learned he was able to hold a discussion with her that solved the problem. It ended by his having her set up her own standards for acceptable performance, and she improved enough to be kept on the job.

A supervisor known for his shouting at people and frequent bawling outs was approached after a conference series by the occupant of an adjacent office who asked, "We don't hear much noise from your office any more. What's happened?" The supervisor replied that he had learned better ways of handling people and went on to tell how he had, since participating in the discussion series, solved some personnel problems which he hadn't been able to resolve in previous attempts.

An engineering manager reported that it was not until after a case discussion series attended by engineers, accountants, and others that they were able to install a new accounting system which previously was unacceptable to both the engineering and accounting management.

Subordinates have reported "a remarkable change in my boss." An engineering department improved procedures to gives their supervisors more status. In one organization it was even stated that "a mouse had become a man" after a case discussion program.

Naturally, some people will be unchanged, an occasional person changed negatively. But there is enough visible evidence to show dollar benefits to organizations from using case discussions.

*Limitations Of The Case Discussion Method:* Case discussions have to be fitted in to the right place and time in an over-all development and training program. A new supervisor may need an information program first. A program such as Job Relations Training is a good prelude to case discussions. Training in talking and listening to others is a helpful prelude or adjunct to case discussions since solutions to human relations problems invariably are solved by someone talking to someone else.

Time is another limitation. This is not a quick one-shot method. At least a thirty or forty hour program is desirable, although as few as twelve hours can be helpful. But the results are proving that the time is worth it.

Another caution is to be sure that case discussions don't come to be thought of as the end rather than the means. They are only the means to improved relationships and communication vertically and horizontally in the organization. As soon as people are ready, discussion subjects should be the actual problems of the organization. Case discussions are excellent preparation. A good sequence would be case discussions by separate horizontal level groups, then case discussions in vertical groups, and finally discussions of every-day department problems in vertical groups.

Also, it is important to avoid placing too much emphasis on the case itself and not enough on the participants' reactions to the case, with the result that the purpose of improving insight and sensitivity of the participants becomes obscured. A skilled leader can prevent this from happening.

Avoid considering this the *only* training method for it is not so—all methods have their place.

A limitation to acceptance of the method is that participants often cannot *see* the changes taking place within themselves. It may take considerable time until changes become apparent. Explaining this to participants can help.

Another problem is that the method is hard to describe to operating people who have studied only under the lecture, recitation, and examination method.

The most critical factor of all is the leader. A skilled leader is essential if the best values of the method are to be realized. The leader needs to know far more than merely how to ask questions and keep discussion moving. He needs to know the principles and techniques of this method. He also needs to have the attitudes which enable him to create a climate of acceptance and real free expression, and he needs sensitivity and understanding of others. Some measure of counseling skills also is helpful. Leaders can be trained, although not everyone can lead by this method. The writer has conducted forty-hour seminars in which leaders have been given enough training to lead programs.

The limitations mentioned can all be overcome by having a skilled leader, careful planning of programs, constant observing of progress and results.

*Conclusion:* The case discussion method is a vital link in any human relations training plan. It accomplishes results that no other formal training can achieve and is an excellent step toward improving relationships and achieving good communication in every-day contacts. This improvement must eventually come from constant discussion of every-day problems. But this usually can occur only after people have learned how to discuss, how to understand themselves and others, and how to listen to and deal with feelings and the emotional motivations of people.

As Emerson said, "Only so much do I know, as I have lived." Through a series of "living" conferences with the added factor of a skilled leader to help the participants evaluate their ideas and attitudes, participants will come to know not a handful of rules or words, but will better know themselves and how to live and work in harmony with others, how to generate cooperation, increased skill, care and effort, and how to provide a more satisfying work life for those for whom they are responsible.

But this article denies its own thesis—it lectures. It gives words, not experiences. Perhaps it will encourage personal participation in the case discussion method, which is the only way to gain a full understanding of it. END

**SAM National Meetings — 1955**

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|---|---|
| February 12, 1955 | Executive Committee |
| April 30, 1955 | Board of Directors |
| May 28, 1955 | Executive Committee |
| June 25, 1955 | Board of Directors |

*BENJAMIN J. MANDEL has been with the Social Security Administration's Bureau of Old Age and Survivors Insurance since 1938, rising from Statistical Clerk, Wages and Employment Unit, to become Chief of the Statistics Branch. From 1936-38 he served with the Department of Agriculture. Before going into government service Mr. Mandel was a salesman and Claims Adjustor for the Cooper Union Coal Company. In addition to his job with the Social Security Administration Mr. Mandel is Chairman of Statistical Courses in the School of Business, Industry and Management at the University of Baltimore, and visiting lecturer at the school.*

# Organizing To Use Statistics

**By Benjamin J. Mandel**
**Chief, Statistics Branch**
**Bureau of Old-Age and Survivors Insurance**
**Social Security Administration**
**Health, Education and Welfare**

**Instead of building the statistical viewpoint into all measurable operations, many companies occasionally use statistics to analyze a few activities. Every company accumulates statistics. The problem is to organize this information so it can be used as a background for making decisions. This article outlines the benefits, the scope and the costs of an organized statistical program.***

AVAILABLE evidence indicates there is a definite upward trend toward the wider use of statistics and statistical methods in dealing with management's administrative and operating problems. Very little foresight will lead to the realization that, unless management is quick to recognize this trend and promptly adjust its organization to the new statistical age, it will find pretty tough sledding in the near future in competing with a business world that has already accepted the new type of technological revolution—the science of statistics.

Resistance to change, typical of many aspects of the world we live in, hasn't yet placed many business organizations in a disadvantageous position, or caused them to take statistics seriously. Sooner or later, however, it will dawn upon them; for the trend in the use of the science of statistics is definitely upward and it will ultimately reach the place it deserves despite the natural obstacles.

I am not speaking of an adjustment of the organization to adopt one or another of the techniques of statistics in one or another of its departments or activities, such as using market research techniques or statistical quality control; no doubt there is a great deal of this fragmentary type of adoption of statistics. I am speaking of an entirely different type of adjustment—a sweeping reorganization which will integrate the science of statistics into the regular company activities and which will develop a statistical program that may be extended to *all* aspects of the business organization, not just one or a few. I shall get back later to the scope and functions of an organized statistical program in business. But first let me illustrate what most of us have probably noted—a few of the available facts which reveal the increasing applications of statistics.

*Some Business Applications of Statistics.* Regardless of order of adoption, the number of different fields of application of statistics to guide management decisions has grown slowly but surely in the past ten to fifteen years. Before the '40's successful applications were few and far between. However, during World War II statistics played a major factor in quality control; then came more widespread use of statistics in market research, sales analysis, advertising investments, consumer research, production control, accident prevention, auditing, labor-management relations, and so forth. In the more recent years we have begun to hear more and more of "operations research," which is useful in improving the effectiveness of business operations; "mathematical programming," which is useful in location of factory and warehouse sites and scheduling shipping operations; and human motivations, an application now in the developmental stage which will show why people buy, why they work and answer other questions. The undisputable fact is that mathematics, and especially the science of statistics, are finding more and more applications; in fact, statistics is universally applicable where measurements or objective observations are obtainable, and so long as we have competent statistical scientists their creativeness will find numerous other applications in due time.

Let us take a look at just a few of the known applications, to get the feel of the variety of fields to which statistics

* The opinions in this article are those of the author and are not necessarily those of the Department of Health, Education and Welfare. The writer is indebted to Irwin Wolksteen and Albert Mindlin of the Bureau of Old-Age and Survivors Insurance for their valuable comments.

have already made contributions.

Clothing manufacturers depend to a large extent on statistics on the height of men and women to set production quotas in different clothing lines and sizes: and coffin manufacturers depend on similar statistics in their business. Once the data are made available the statistical analysis is through simple ratios.

## Influence Of Statistics And Methods Of Collection

Railroad and bus companies gather and analyze statistics on passenger traffic daily, weekly and monthly, to estimate in advance the service requirements in different locations and different seasons of the year. They rely on both time series and correlation analysis for their predictions.

Many mail-order houses estimate the amount of business they will be required to handle the entire week on the basis of the weight of their mail on Monday. This is where the techniques of correlation analysis come in handily.

The recent steel worker pension system—the benefit formula and other conditions—were based on statistics on the earnings patterns of steel workers in different age groups. In this application, earnings data collected from the old-age and survivors insurance work history records were analyzed by means of simple frequency distributions and graphs to reveal the typical patterns of earnings of workers in different age groups.

Advertising departments of many large organizations gather statistics to determine the value of several methods and sources of advertising media to their organization. This involves the use of sampling and probability principles in gathering essential data and the use of other techniques of measurement of response and estimation.

Of course, most of us know what statistical techniques have done to quality control departments in improved quality of product, increased production and cost savings. The underlying principles of sampling and frequency distributions have played an important role in this field.

And, of course, life insurance companies live on statistics because their annual premiums are fixed on the basis of statistical tables which show the number of persons out of a given group who survive at given ages. Here they use simple probability ratios and apply them to the population as a whole.

The automobile you own is shaped the way it is, contains the gadgets it does, is of the color you use, because statistics on consumers' preferences guided the automobile manufacturers to meet general demand for these characteristics. What was involved in this analysis? Methods of collecting and analyzing data by mail surveys, sampling, response analysis, estimation techniques and operations research.

*Why An Organized Statistical Program Is Needed.* These and many other applications in business and industry which have been publicized in various articles represent an impressive picture of the progress and trend in statistical applications, and we certainly cannot question the upward direction of the trend. However, many organizations still do not employ scientific statistical techniques and even among most of the companies that do use statistics, the use is restricted to a few selected management problems, which are generally handled by outside management consultants. There does not appear to be an organized approach for statistical applications in all aspects of management.

## Scientific Handling Of Management's Problems

While taking advantage of the science of statistics (even in a few selected management problems) is all to the good for efficient management, such an approach cannot reap the fullest possible benefits offered by statistics to the most efficient operation of the organization. Professor Deming once said: "If statistical techniques produce savings and better quality at reduced cost, then they should be used wherever they may be found useful, and not just where they happen to grow up by accident." If we put together all of the known different uses of statistics in business and industry and apply each relevant one in a given organization, it can be readily seen that a great many of management's problems could be dealt with scientifically, with the resultant greater efficiency and economy. However, because statistics are applicable universally to *all* measurable or classifiable (e.g. high, medium, low) phenomena, it follows that it can be applied in many other management problems, if given a chance. It follows also that if statistics is fitted into an organization as an integrated function of the organization, equally recognized and accepted as all other basic functions such as selling and buying, many fruitful applications would be discovered.

## Trained Staff Needed For Statistical Research

Experience has shown that there are other advantages of an organized statistical program. For example, with the technical skill available right in the company, an organized statistical department could take over many assignments of a statistical nature which were formerly handled by non-statistically trained personnel. Thus, these assignments would be more effectively handled by a staff skilled in the methods of collecting, processing, and objectively interpreting measurable or classifiable data. Furthermore, trained statistical staff could be shifted readily from less urgent to more urgent statistical research assignments; and work could be done under uniform and acceptable statistical standards. An organization cannot afford to make some efficient applications of statistics in one department and to use poor methods and inadequate data in another department. It is these facts and this reasoning that lead us to but one conclusion—a statistical program in an organization is an essential and integral part of administration, unless management deliberately wishes to waste material, machinery or manpower or to make decisions with inadequate information. Management currently faces a real challenge in organizing for the integration of statistical knowledge into the company, just as much as it did years ago in adopting the functions of engineering, budgeting, and marketing into it.

*Organization and Functions of a Statistical Department.* While the first step in building a statistical program into the organization is to recognize the potential contributions of the science of statistics to the company, the next one is to take active stock of the role statistics already plays in the company. If some system of measurement and reporting exists, the question remains whether it is being done accurately, comprehensively, and scientifically. Revisions should be made both in staffing and in methods of attacking the problem of organization as indicated below. If hardly any statistical reporting system

exists, then a completely new look must be taken at the company's organizational structure with a view to fitting in the statistical program at the appropriate top management level.

Three main factors need to be thoroughly considered by management: (1) What should be the specific scope and responsibility of a statistical department and where does it fit into the organization? (2) What type of staff is needed for this department—present company employees or new employees? (3) There are the cost considerations which can be stated thusly: Granted, a statistical program is essential to the organization; but how much can we afford to invest in this function?

*Scope and Responsibilities of the Statistical Department.* In consultation with top management the statistical department should have full responsibility for all statistical compilations and surveys of the organization both of internal and external data. However, planning of the overall content of the program, including both regular continuing and special one-time statistical compilations, should first be approved by top management, which would be the ultimate user of the data. Once the framework of the statistical projects is laid out, and the priority of each in terms of relative importance to the organization is set with management, the statistical department should have full responsibility for administering the statistical program, with all its ramifications. This would include laying out designs for the surveys or experiments, planning and organizing the methods of collecting the data, and actual collection and compilation; analysis and reporting results regularly with necessary interpretations and guidelines. The scope of the department's activities would also be to re-examine regularly the statistical program, make revisions which would lead to better and faster information for management and consult with management on problems of a statistical nature.

## Organizing A Statistical Program

The statistical director should be given discretion in choosing his approach. A first step towards organizing the program would probably be to prepare, with the cooperation of all departments, a detailed inventory of the company operations classified by department, showing the amount of staff and funds or income devoted to each component operation. From this list would be selected for measurement first those cost items which rank near the top of the company expenditure or income column. Around these would be organized an initial program of observation, measurement, and classification and collection and analysis of facts. As time permits, all operations which can be measured or classified and which represent a "substantial" investment should be measured or rated, and facts recorded and analyzed accordingly.

## Charting Scope Of Statistical Programs

With this initial round of statistics, organized and analyzed by the statistics department, some decisions should be made for: (a) regular compilations (time period to be decided), (b) special compilations and (c) no compilations. These would represent the tentative statistical program of internal company data.

Similarly, certain types of external data related to the company operations need to be compiled regularly or from time to time. These might include such data as the number, size and location of businesses in the same line of activity as the company, business births and business deaths; the characteristics of workers in the industry (such as age, sex, color, earnings), population changes in different sectors of the United States, and in the area in which the business is located, and so forth. The full scope of the external data cannot be spelled out here, except that, in general, the program should consist of statistical information about the overall economy as well as the activities and characteristics of both the competing companies and potential customers. Organization of the statistical program for the compilation of external data would require a fairly thorough knowledge of existing sources of secondary data and files or references from which special compilations might be obtained, of course, with an eye on cost.

The scope of the statistical program might be charted in outline form (see following page for chart.)

*Staffing Requirements.* To carry on a program of such widespread measurement and statistical reporting and analysis requires the hiring of a competent statistical staff. The first and most important requirement is for management to locate the man who is suited to head up a statistical unit, however small. This may be a person already employed with the company or a new employee. The calibre of the man heading a statistical department can make or break the potential advantages of statistical applications.

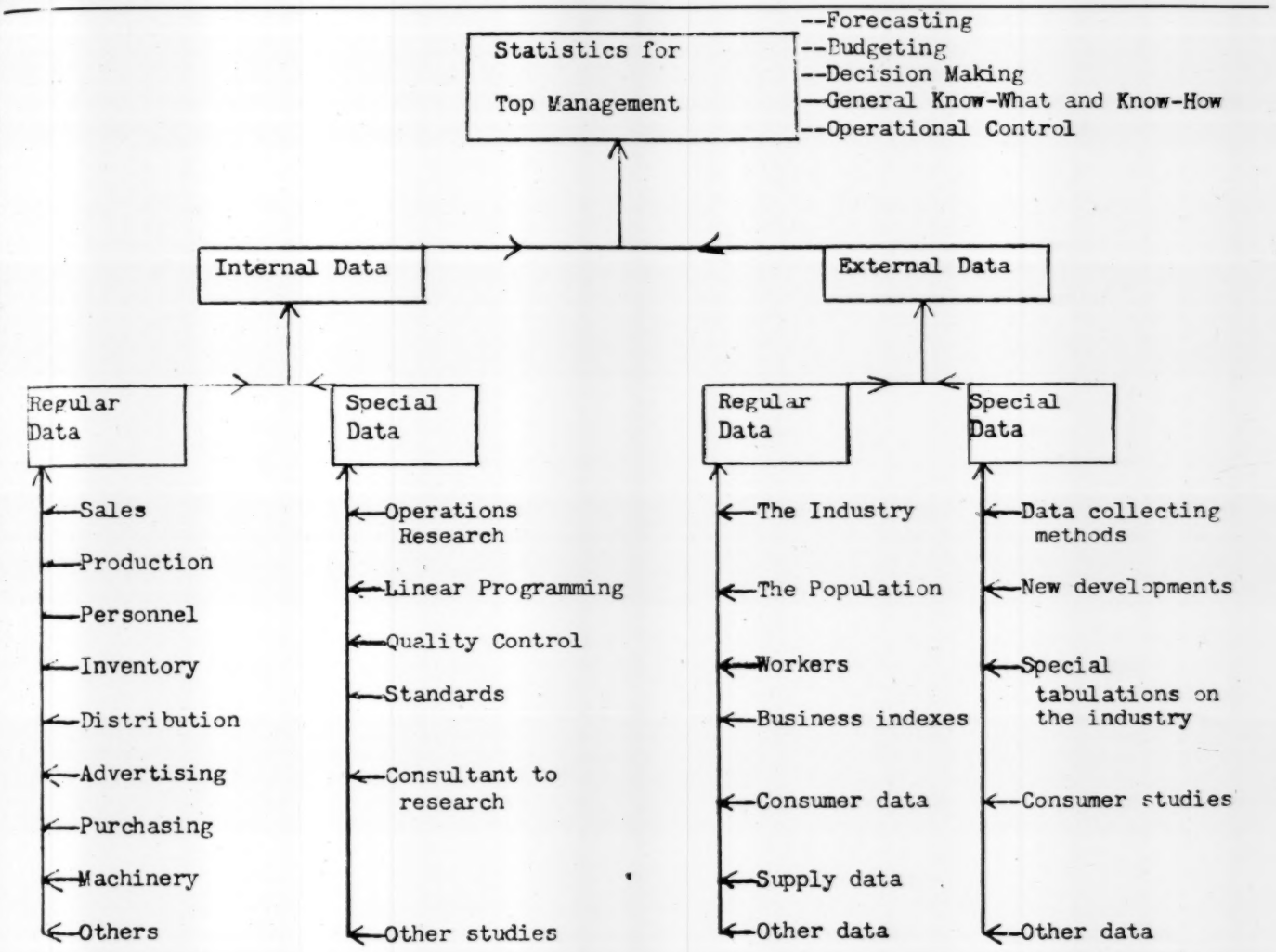
This man must be well fortified with knowledge of the basic principles and theories underlying statistics, and particularly ought to have a technical knowledge of the principles of probability, sampling and frequency distributions. He must not only know the theory but also be able to apply it and use the appropriate statistical methods of collection, analysis and presentation of data, including methods of collection of data by sampling, by observation, mail questionnaires and personal interviews; the methods of processing and organizing data to obtain usable results and methods of analysis and effective reporting of statistical information. In addition, the man must show a keen imagination and insight so as to develop the statistical program where it will do the most good, as well as a capacity to learn thoroughly the subject matter field (operations of the company if he is new to the company). He must have administrative and executive ability and be able to get along with people. As Dr. Juran once said: "He must endear himself to the company and its people."

Finally, this man must be able to express himself clearly and to get jobs done in time for administrative use and, therefore, he must have the ability to make the best out of incomplete data by combining a logical mind with good judgment.

## Evaluating Company's Investment In The Program

In summary, a man in this position must combine technical skill in statistics, practical experience in dealing with statistical surveys, and an understanding of people from two directions—those whom he deputizes to carry out his plans and those who depend upon his timely facts to make wise business decisions. He must also be able to express himself clearly and possess a keen imagination, so as to be able to develop the statistical program for the best interests of the organization.

*Cost Considerations.* The establishment of a statistical department as a new member of the organization to serv-




ice the team of management implies, of course, the investment of company money into a new venture. Naturally, this raises the questions, How much should be invested? What is the probable return for the investment? These are considerations which scientific management must analyze before deciding on the size of the statistical program.

There is no single yardstick for determining the amount that a company should spend on a statistical department. It would be logical to assume that this amount should be a certain percentage of the company's total salary-bill (rather than sales, for the science is applicable to all operations of the company, not just sales) and that it will vary from company to company in relation to the potential value of statistical applications to the business. It might be interesting in this connection to note the relative amount expended by the Federal government for statistical work, to give us some idea of the magnitude of the probable range in that percentage. The Hoover Committee Report on the Reorganization of the Federal Government estimated that about 1% of the Federal budget was spent on statistical work in the fiscal year ending June 30, 1948. Of course, this percentage is only illustrative and not suggestive, for it varied from agency to agency because of the different functions of the agencies and the variation in the use of statistics in the agencies. For example, the Census Bureau ratio for statistical compilation was 100% because its function is to compile data. In the Bureau of Old-Age and Survivors Insurance the ratio was about 2%.

In the absence of a specific guide of the ratio of investment for any one company, a general rule would be, start small, start slowly—but by all means get a start. After a reasonably long initial period of study, a better estimate of the optimum size of the statistical department would be possible.

Even a very small company with few employees and few varying operations can stand to gain from a statistical program. If the company cannot afford a full-time staff for the function, a person skilled in statistics can be assigned to devote part of his time to statistics and part to other company activities.

*Summary and Conclusions.* Management can no longer ignore the universal applicability of the science of statistics to the analysis of company activities, because of the proven economies that have resulted from such applications in the past and the increasing use of statistics in business and government. However, in most instances where statistical applications are made in a company they are not made on a coordinated and systematic basis, but rather on the basis of unrelated investigations in selected areas. More efficient business conduct and management know-what can result from a systematically organized statistical program adopted as an integral and accepted part of company activities under the general control of top management, but under the direction of a competent statistical administrator. This man must be wisely chosen, or else the fullest possible advantages of the sta-

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## *Table of Contents*

THE SELECTION OF INDUSTRIAL ENGINEERING PERSONNEL
*Charles A. Thomas*

TRAINING OF INDUSTRIAL ENGINEERING PERSONNEL
*Nicholas L. A. Martucci*

TOMORROW'S MATERIALS HANDLING METHODS (PART I)
*Matthew J. Murphy*

FACTORS IN TODAY'S MATERIALS HANDLING METHODS (PART II)
*Robert S. Rice*

MATERIALS HANDLING: THE 1960 PICTURE (PART III)
*Carroll W. Boyce*

STANDARDS PERFORMANCE TIME FOR FORK TRUCKS
*Oswald S. Carliss*

PRIVATE ENTERPRISE AT NIAGARA FALLS
*Earle J. Machold*

MEASUREMENT OF MAINTENANCE LABOR
*John S. Sayre*

MEASUREMENT OF OFFICE OPERATIONS
*J. Henry Parker*

PREDETERMINED TIME STANDARDS IN THE NEEDLE TRADES
*Miss Lea Terruzzi*

PREDETERMINED TIME STANDARDS IN FABRICATION AND ASSEMBLY
*Helmut C. Geppinger*

FREEDOM WITHIN ENTERPRISE
*The Honorable James C. Worthy*

AUDITING OF WAGE INCENTIVE PLANS
*D. F. Howe*

COST REDUCTION INCLUDING WAGE INCENTIVE PLANS
*Garland C. Martin*

AUTOMATION: ADVANCES IN AUTOMATIC PRODUCTIONS
*Robert T. Collins, presented by Robert Randel*

ADVANCES IN STATISTICAL CONTROLS
*Mel Hurni*

DOMESTIC LEGISLATION VIA INTERNATIONAL TREATIES
*W. L. McGrath*

PRODUCTIVITY WITHOUT WAGE INCENTIVES
*Robert E. Pomeranz*

PRODUCTIVITY WITH WAGE INCENTIVES
*Robert Jones*

THE INDUSTRIAL ENGINEER AND LABOR CONTRACT CLAUSES
*G. Jay Anyon*

CREATIVE ARBITRATION
*The Reverend Dennis J. Commey, S. J.*

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tistical program may be dissipated, or it may even lead to setbacks. His background and experience must combine technical knowledge of statistics and practical experience in the planning, collection, analysis of data; he must have a keen imagination so as to develop applications in new areas, a power of expression in reporting data, conclusions and recommendations, as well as ability to deal with people and to get things done at the right time and place.

The amount of a company's investment in a statistical program depends on the size and complexity of its operations. It should be measured in terms of a percentage of the total wage and salary bill of the company rather than sales. A company with but few varying and complex operations may do well with less than one percent for a statistical program. Companies with complex operations, which can be aided to a relatively greater extent by statistics, may need to invest more than one percent for a statistical program. (Of course, 1 percent is merely illustrative.) As a general rule, the percentage should be very small at first until a clearer picture is obtained of what a statistical program may offer to the organization; it can then be increased accordingly. Even a very small company can stand to profit from a statistical program even if it has to assign staff partly to statistics and partly to other company activities.

### *Major Purpose Of The Statistical Department*

The major purpose of the statistical department should be to supply top management with quantitative and objective facts both of the internal operations of the company and of external developments in the general economy and particularly those directly related to the company's function. The statistical program should not be confused with the function of accounting, product research or of related types of research already conducted by many companies. Both periodic data and special data should be provided as needed. Periodic data will provide a basis for trend analysis and forecasting and regular operational controls. Special data will provide benchmark information on activities not regularly measured. The overall result expected is a better and more accurately informed management which can take advantage of its knowledge by making wiser decisions. END

**The problem of fitting young people who are just starting on their first job into an organization is a problem that faces every supervisor. To get the best efforts from the inexperienced—and to give them a start that will make them good workers on future jobs—requires patience and understanding of the problems of youth. In the following chapter, excerpted from a report of discussions of the Technical Committee on Supervision of Young Workers, U. S. Department of Labor, Bureau of Labor Standards, some suggestions are offered on this subject.**

# How Will The Good Supervisor Deal With Youth?

THE Committee brought to the subject of supervision of young workers, ideas from the new professional field of human relations in industry with its emphasis on attitudes and employee-oriented supervision. They also brought the practical experience of the job supervisor of youth and the trainer of supervisors who are applying their intelligence and judgment to the problems daily confronting them.

Among some there was a feeling that supervision is an art little helped and likely to be hindered by rules of "do" and "don't" lest the rule be followed in the wrong situation at the wrong time and in fact result in bad supervision. Others were eager to get down to brass tacks and examine actual successful experiences in supervision of youth from which good practices could be defined. Throughout the Committee deliberations there was some sense of dilemma between the pull toward being definitive as to the practices that constitute good supervision of youth, and the concern that rules might do more to handicap than to help develop the kind of supervision that is truly most successful in respecting the integrity of the individual youth, and in helping him be and give his best. Unfortunately, the 2-day limit to the meeting made it impossible for the Committee to arrive at a fully satisfactory integration of the two approaches.

The suggestions made seemed to fall into the following tentative pattern, which gives primary attention to stimulating the supervisor's interest in what the young employee is like, and secondary emphasis to the implications for supervisory attitudes and behavior.

*A challenge to supervisors:* Because youth are striving toward an adult status and increasing self-reliance, the work supervisor will try to deal with the young person in such a way as to help, rather than hinder him in achieving his objectives. The work supervisor who is sensitive to youth's need to outgrow childishness will realize that he has a challenging opportunity. He will take advantage of this basic drive of youth toward adulthood. The work environment is essentially an adult world in which youth expect and want to be treated as grown-ups. They expect to contribute something in return for that concrete reward, the paycheck. The wise supervisor will treat the young person in a grown-up way, but at the same time be aware of the young worker's striving and uncertainties as he moves abruptly from the more personal and dependent relationship of child and parent or teacher, to the more business-like and impersonal relationship of worker and employer.

*Suggestions to work supervisors on how to apply their understanding of youth characteristics*—The work supervisor, seeking to apply his understanding of the characteristics of youth in his daily supervisory relationships with the young workers in his charge, may find the following hints helpful:

*Because* the adolescent experiences some apprehension as he enters the new and unfamiliar world of work:

Give him time to know the physical and the social setting he is going to be working in. Help him to feel at home before giving him information and instructions. He will learn faster if he's not afraid.

*Because* of the adolescent's limited experience and inadequate judgment:

Orient him to his job more slowly than you would an older experienced worker on the same job.

Take time to give him full explanations of the workshop know-how that older workers take for granted. Remember that he may be afraid to show his ignorance by asking questions.

Give job instructions clearly, specifically, and step-by-step. Be sure he learns one step before taking the next.

Have patience; be willing to repeat instructions. Avoid appearing irritated by questions.

Be consciously concerned with developing youth's habits of application on the job.

*Because* the adolescent may look older and therefore stronger than he is:

Avoid making work assignments that are physically taxing; remember that the young person may not have completed his rapid growth spurt and that probably strength has not caught up with size.

Provide breaks in routine, and when possible, changes in operation.

Recognize that observance of child-labor laws and safety measures helps to safeguard health and physical development.

(*Continued on page 34*)

# *New Management Writing . . .*

### THE ATTACK ON BIG BUSINESS

*By J. D. Glover. Division of Research, Graduate School of Business Administration, Harvard University. 375 pp. $4.00.*

Why has big business been under continuous attack throughout its history? To answer this question Professor Glover has surveyed a vast amount of literature from which he quotes liberally throughout the book. In it he examines the criticism on three levels: (1) the economic, (2) social and political, and (3) ethical and moral. The concluding part of the book consists of an evaluation of the critics and suggested line of action for corporation administrators.

The author shows us that the economic attack against big business rests on two pillars: (1) big business is inefficient and (2) it is monopolistic. This view flows from the basic concept of *laissez-faire* capitalism which assumed that the free activity of individuals working for their own material gain will automatically bring about the greatest national product, its best distribution and the best use of natural resources.

It is implicit in the premises of classical doctrine that because the ideal economic mechanism is made up of a large number of units, economic activity carried on by a few big units cannot be run efficiently. Professor Glover traces the influence of Adam Smith's view that "managers of other people's money" cannot be expected to show responsibility for other people's property, and that the success of an enterprise depends on the judgment of one man, or writings of many prominent men, among them Professor F. W. Taussig, Louis Brandeis, and the English economist E. A. G. Robinson.

Most critics agree that in building up large companies the quest for economy was not the motivating force but rather the realization of advantages of "monopoly power". They consider the opportunities for individual gain as the driving force behind corporations. The discussion of the basic statistical studies of costs and profits of large corporations (by Drs. Dewing and Livermore), and their use of data to show whether large corporations have the advantage claimed for them, is most revealing. The reader would do well to pay attention to the footnotes throughout the book.

From here the author moves to the argument which holds that even if big business gives the impression of being efficient, this is due to anti-social economies derived from the exploitation of suppliers and customers. This line of attack, we are told, was laid down by Louis D. Brandeis, whose reasoning gained may followers, among them Professor Fetter and A. A. Berle, Jr.

Another indictment against big business is that it holds back technical progress. The thinking behind this argument runs as follows: because large corporations are a monopoly, they have little to fear from competition, therefore, there is no stimulus to big business for improvement. These critics attribute the steadily increasing productivity of American industry to such factors as the progress of science, discovery of new resources, and they suggest that our economy might have been more efficient and prosperous without big buisness.

The survey of the history of the second basic charge on the economic level against big business, that it is monopolistic, is a thought provoking presentation of the rise, fall and revival of this ever-controversial issue. The theory behind this charge, Professor Glover points out, may have become more sophisticated as compared with fifty years ago, but "it still rests on the basic proposition that it did then—on the belief that there is an ideal economic mechanism and that it is made up of myriads of small, individually negligible producing units." (p. 98) The author calls attention to the fact that there still is no well integrated economic theory in existence to justify big business as a means for organizing economic life, and emphasizes the need to develop a new theory, based on first hand observation, to replace the body of theory "which deduces the principles by means of analysis which proceeds at very high levels of abstraction." (p. 99)

The second part of the book deals with the political and social criticism of big business. This falls into three parts. The first is that big business runs the country. The critics allege that a big business plutocracy controls the business community and through it the national economy, our social institutions and has captured the government itself. In fact, the critics insist that, besides controlling our democratic institutions, big business wants to recast them into an authoritarian pattern. The quotations cited show the picture of the centralized control of business reflected in the writings of Charles A. and Mary R. Beard in their *Rise of American Civilization*, Ferdinand Lundberg's *America's Sixty Families*, A. A. Berle Jr. and Gardiner Means's *The Modern Corporation and Private Property* and many others.

The second criticism of big business on political and social grounds is that it cannot be reconciled with the basic economic premises of democracy. The theory underlying this criticism is that the key to democracy is the distribution of political and economic power, and because big business has a disproportionate share of economic power, it is incompatible with democracy.

The next political social and social criticism is that big business generates tremendous pressures which transform society into a totalitarian state. Accord-

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*Report of a Round Table on Executive Potential and Performance. Published by Columbia University Press (in March). 200 pp. $3.50.*

Leading industrialists and men of affairs give their answers to "What can American business do to attract and develop a sufficient number of young men who have the ability to become mature and competent business leaders?"

ing to this line of argument, democracy presupposes independent property owners and individuals, while big business creates a society of "wage earners", "clerks" and "hirelings." The criticism that carries greater emotional impact than all others is that big business drives out small business. The reason for this, according to the author, is that the ideal human role is supposed to be that of the independent farmer.

Part III scrutinizes the ethical and moral attack on big business.

What is wrong with the charges? Professor Glover asks in the chapter "Critique of the Critics." The basic misconception about the corporation is that critics are not social *scientists* and they make no attempt to verify their assumptions. Secondly, the economic critics interpret human affairs in terms of a mechanistic, materialistic philosophy, which takes it for granted that human behavior is determined by organization structures. In their view a "Big 3" *must* be less competitive than a "Big 10" or a "Small 50."

The political critics hold that real democracy cannot exist unless the structure of political institutions follows a set of pattern. The moral critics take it for granted that a rural way of life is *intrinsically* superior to an urban, industrial way of life.

The author acknowledges the fact that the critics have served some useful purpose by hastening social legislation pure food and drug legislation, full disclosure of financial and other material and others. (p. 305) The influence of the critics cannot be ignored for among them are Nobel and Pulitzer prize winners who influence public opinion considerably. To repudiate the main body of criticism, the author remarks with logic, would be hopeless for new ones would constantly be advanced.

The author makes his own position clear in the last chapter "Prescription for Action" when he points out that "I reject as narrow and materialistic the philosophies of materialism and determinism manifested in so much of the criticism of big business.

This is an objective, stimulating and even entertaining book. Professor Glover avoids bogging down in a quagmire of economic jargon and has turned out a book which could be utilized to good advantage by the general reader as well as supplementary reading for students.

Agnes R. Miller, New York City
Consulting Economist

# *Chapter News . . .*

The PHILADELPHIA Chapter's 7th Annual Conference, meeting February 11th at the Benjamin Franklin Hotel, is a 3-way program containing a full day of challenging speeches, ending with cocktails at five p.m.

Subject of the conference is *Productivity and Cost Controls*, and the speeches are grouped under the three categories: *Evaluating The Role of Front Line Administration*, *Evaluating The Role of Executive Administration*, and *Evaluating The Role Of Staff Adminsitration*.

Keynote address will be given by Dr. Robert P. Brecht, Wharton School professor of Industry.

★

PITTSBURGH Chapter held a husband-and-wives theatre party for its members during Christmas week. The Chapter was able to purchase a block of tickets at a discount, and provided them free of charge to Chapter members. Arrangements for dinner before the theatre were made by the members individually with the Pittsburgh Playhouse.

★

BOSTON Chapter arranged a Plant Visit for its members during December. The trip was made to the Draper Corporation's new Hopedale, Massachusetts plant, where a new foundry which incorporates all the latest developments in automatic foundry operation was on display. A visit that must have been interesting to any member even remotely interested in castings, foundries or automation.

★

WESTERN NORTH CAROLINA's Three Seminars are scheduled for February 14th, 21st and 28th, at the George Vanderbilt Hotel in Asheville. Seminar subjects are: *Improving Managerial Effectiveness*, *Training and Development of Supervisors and Foremen*, and *Administering and Evaluating a Cost Reduction Program*.

These three seminars were selected out of fifteen subjects presented to the Chapters' members and to industries in western North Carolina during a survey to determine seminar preferences.

Seminar leaders are Eugene J. Benge, L. F. Zerfoss and Charles Baker.

## CHAPTER MEMBERSHIP STANDINGS

### January 1, 1955

| | | | |
|---|---|---|---|
| New York | 408 | Bridgeport | 64 |
| New Jersey | 374 | Wilmington | 63 |
| Philadelphia | 324 | Providence | 63 |
| Cincinnati | 309 | Reading | 62 |
| Chicago | 270 | Alabama | 61 |
| Cleveland | 268 | Columbus | 61 |
| Pittsburgh | 244 | Charlotte | 60 |
| Lancaster | 239 | Lehigh Valley | 60 |
| Detroit | 207 | Central Penn. | 57 |
| Boston | 200 | Knoxville | 56 |
| Washington | 192 | St. Louis | 55 |
| Milwaukee | 151 | Hartford | 53 |
| San Francisco | 146 | Calumet | 51 |
| Worcester | 144 | Clearing | 51 |
| Los Angeles | 144 | Western Mass. | 51 |
| Dallas | 131 | Central N. Y. | 47 |
| Westner N. C. | 109 | Greenville | 47 |
| Raritan Valley | 108 | Sacramento | 44 |
| Indianapolis | 104 | New Orleans | 41 |
| Hudson Valley | 101 | Twin City | 40 |
| Kansas City | 99 | Manchester | 38 |
| New Haven | 98 | Fox Valley | 35 |
| Binghamton | 95 | Madison | 33 |
| Baltimore | 94 | Portland | 32 |
| Montreal | 91 | Nashville | 29 |
| Dayton | 88 | No. East. Penn. | 28 |
| Greensboro | 87 | Louisville | 26 |
| Richmond | 73 | Stamford | 20 |
| Georgia | 72 | Non-Chapter | 96 |
| Trenton | 67 | Non-Resident | 80 |

●

## You Make The News— We Print It!

***The news items on this page were taken from material sent directly to the editor of ADVANCED MANAGEMENT by some member of the Chapters.***

***If we don't know about it we can't write about it! If you will send copies of the Programs of your forthcoming events to ADVANCED MANAGEMENT we shall print those items which we feel contain something of general interest to all Chapters —as many of them, that is, as we have space for each issue.***

***With the programs reaching us in advance of the events, we may also be in time to request copies of those speeches which might be of interest to all Chapters, with the view to printing them in ADVANCED MANAGEMENT.***

***Your submissions for the Emerson Award do NOT reach our desk. So please send duplicate Programs to: The Editor, ADVANCED MANAGEMENT, 74 Fifth Avenue, New York 11, N. Y.***

# FEBRUARY CHAPTER ACTIVITIES

| CHAPTER | SUBJECTS | SPEAKER | TITLE | PLACE | DATE |
|---|---|---|---|---|---|
| *Alabama* | Exchange Meeting with Georgia Chapter | | | | 8 |
| *Baltimore* | Railroads Today | Douglas C. Turnbull, Jr. | Executive Asst. to President—Baltimore & Ohio R. R. | Stafford Hotel | 1 |
| | Production Planning and Cost Control for Engineering | | | Hopkins Faculty Club, Johns Hopkins University | 16 |
| *Binghamton* | One Company's Approach to Management Development | J. Stanley Purnell | Dir., Organization Development, Gulf Oil Corp. | Hotel Arlington | 9 |
| *Bridgeport* | Variations in Manufacturing Processes Throughout the World | Robert A. Burgoyne | Asst. V. P. of Manuf., Dunlop Tire & Rubber Co. | Algonquin Club | 1 |
| | Plant Visitation | | | U. S. Electrical Motors, Milford, Ct. | 9 |
| *Cincinnati* | The Central Issue in Human Relations | Maurice Levine, M. D. | University of Cinn., College of Medicine | Hotel Alms, Marie Antoinette Ballroom | 3 |
| *Clearing* | Harvard Case Studies | J. M. Duffey, Chairman | | Atlas Boxmakers | 3 |
| | Harvard Case Studies | J. M. Duffey, Chairman | | Atlas Boxmakers | 10 |
| | Controllers and Cost Accountants | E. A. Gustafson, Chairman | | Clearing Industrial Club | 15 |
| | Middle Management | Mary Cushing Niles | | Clearing Industrial Club | 15 |
| | Harvard Case Studies | J. M. Duffey, Chairman | | Atlas Boxmakers | 17 |
| | Harvard Case Studies | J. M. Duffey Chairman | | Atlas Boxmakers | 24 |
| *Cleveland* | Automation is For Your Plant, Too—Panel Discussion | M. Morrisey<br>L. J. Bishop<br>O. F. Hautau<br>L. F. Hesse | Ford Motor Co.<br>Mech. Handling Systems<br>Hautau Engineering Co.<br>Gisholt Machine Co. | Hotel Allerton | 7 |
| *Columbus* | Management Looks at Work Simplification | | | | 17 |
| *Dayton* | Management Development | W. W. Finley, Chairman | | | 22 |
| *Fox Valley* | Conference Techniques | Richard Beckhart | Conference Counselors | | 10 |
| *Georgia* | Special Research as an Aid to solving Problems of Management | Harry L. Baker | Pres. Ga. Tech Research Inst. & Asst. Dir., Ga. Tech. Engr. Exp. Stat. | Wilby Rm., Price Gilbert Library, Ga. Tech. | 3 |
| | Are Your Standards Right for Cost Control | Phil Carroll | Professional Engineer | Georgian Terrace Hotel | 24 |
| *Greensboro* | Plant Visitation | | | DuPont, Martinsville, Va. | 3 |
| | To Be Announced | | | Plantation Supper Club | 15 |
| *Greenville* | Time Study for Cost Controls | Phil Carroll | Professional Engineer | Hotel Greenville | 9 |
| *Hudson Valley* | Organization for Cost Control | Bruce Payne | Pres., Bruce Payne & Associates | Hendrick Hudson Hotel, Troy, N. Y. | 1 |
| *Indianapolis* | Cook Book Approach to Writing Procedures | Clifford I. Haga | U. of Minnesota | Marott Hotel | 10 |
| *Kansas City* | Labor-Management Problems | Nicholas Fillo | Commissioner of Conciliation, Federal Mediation and Conciliation Service | Hotel President | 24 |
| *Knoxville* | Operation Research | J. F. McCloskey | Operation Research Office, John Hopkins University | Holston Hills Country Club | 8 |
| | Plant Visitation | | | Dempster Dumpster | 17 |
| *Lancaster* | Tightening Work Standards and Strengthening Incentives | Herbert Ashcroft | Ch. Ind. Engr., Bausch & Lomb Optical Co. | Hotel Brunswick | 15 |

# FEBRUARY CHAPTER ACTIVITIES

| CHAPTERS | SUBJECTS | SPEAKER | TITLE | PLACE | DATE |
|---|---|---|---|---|---|
| | Lehigh Valley Third Annual Time Study Clinic | | | Lafayette College | 4 |
| *Lehigh Valley* | Plant Location & Factory Planning | H. G. Fromm | Prod. Mgr., Johnson & Johnson | | 8 |
| *Madison* | Student Chapter Clearing House | Warren R. Mellin | | Leske's Steak House, 2827 Atwood Avenue | 2 |
| *Milwaukee* | What Should Top Management Expect of Dept. Heads and Supervisors | F. S. Cornell | V. P., A. O. Smith Corp. | E. S. M. Building 3112 W. Highland Ave. | 10 |
| *Montreal* | How Management Can Control Maintenance Expense | J. Henry Parker | Rath & Strong Inc. | Ritz-Carlton Hotel | 9 |
| *Nashville* | Peaks and Pitfalls of Profit Sharing | Thomas P. Bowles, Jr. | Bowles, Andrews and Towne | | 10 |
| | Development and Evaluation of Standard Data—Seminar | Cecil Stokes<br>Fred Morrison | Temco, Inc.<br>General Shoe Corp. | | 21 |
| *New Haven* | Industrial Engineering Round Table | | | | 9 |
| | Industrial Relations Round Table | | | Bd. Rm., New Haven Chamber of Commerce | 16 |
| | Management's Views of the Guaranteed Annual Wage | H. E. Markley | Sec., Timken Roller Bearing Co. | Black Horse Inn, West Haven | 24 |
| *New York* | Operations Research | J. W. Dunlap | Pres., Dunlap and Associates | Hotel Shelton | 17 |
| *New Orleans* | To Be Announced | Paul O. Canaday | V. P., Middle South Utilities | Hotel Roosevelt | 8 |
| *Northeastern Pa.* | Problem Clinic | | | | 7 |
| *Philadelphia* | Seventh Annual Conference—Productivity and Cost Control | | | Benjamin Franklin Hotel | 11 |
| *Pittsburgh* | Engineering Planning for Manufacturing | D. C. Burnham | V. P., Manufacturing, Westinghouse Electric Corp. | Gateway Plaza | 17 |
| *Portland* | Materials Handling in Food Processing | | | | 23 |
| *Providence* | The Church Takes a Look at Industrial Relations | Rev. Emerson W. Smith | | Johnson's Hummocks | 3 |
| *Raritan Valley* | Chapter Anniversary and Ladies Night—Psychology in Industry | Dr. George K. Bennett | Pres., Psychological Corporation | Roger Smith Hotel, New Brunswick, N. J. | 16 |
| *Trenton* | Plant Visitation | | | American Steel & Wire Div. | 1 |
| | Ladies Night | Harry Bowser | Dir., Sales Education, L. Bamberger & Co. | | 11 |
| *Washington* | The American Manager Abroad | | | Archives | 3 |
| | Executive Development Programs | | | Brookings Institute | 7 |
| | Statistics for Management Use | | | Archives | 14 |
| | Scientific Management in the Home | | | Lafayette Bldg., Rm. 1141 | 14 |
| | Financial Management | | | GAO Building Auditorium | 15 |
| *Western North Carolina* | Appraising and Developing People | | | George Vanderbilt Hotel, Asheville | 16 |
| *Wilmington* | Industrial Applications of Operations Research | Dr. Ellis A. Johnson | Dir., Operations Res. Office, John Hopkins University | | 8 |
| *Worcester* | Practical Budgeting and Operating Controls | E. LaRose | Comptroller, Bausch & Lomb Optical Co. | Worcester Airport | 14 |

(*Continued from page 29*)

*Because* he is curious and lacks caution and judgment:

Recognize that youth needs more detailed instruction and continuous guidance in observing safety measures than older personnel. Because he is capable of handling and operating a complex machine does not mean he has yet acquired the necessary control and judgment to operate it safely. Avoid making work assignments that involve any danger of serious injury.

*Because* the adolescent is striving to be grown-up and wants to be considered a person of some importance with a contribution to make:

Be a counselor and friend, not a "boss." Avoid needless arbitrary instructions. Use a man-to-man approach which stresses the "we" rather than the "I."

Discover and respect his capabilities and encourage the taking of responsibility.

Be quick to recognize special aptitudes or deficiencies and modify the youth's assignment accordingly, when possible. The happy worker is one whose job fits his capabilities.

Encourage his ambitions.

Show him how good performance leads to better opportunities either in his present job, or in other work.

Give him credit for good work done.

*Because* he is at once independent, and dependent, and vacillates between behavior which is childish and that which is more mature:

Be patient with lapses, though not necessarily overlooking them. Remember that a temporary attitude of resentment toward the supervisor may only reflect the adolescent's general struggle toward independence. Such reactions should not be taken personally.

Stand ready to give guidance and support when the young worker needs it. Let him know that the supervisor is his friend—someone he can talk to.

*Because* the adolescent may be insecure about his new responsibilities and his new status as an employee, and is easily discouraged:

Provide short-time, tangible goals in terms of amount of work to be done, skill to be achieved, etc. Make sure the goals are within the individual's ability to achieve and give recognition for goals achieved.

Give him the sense of belonging that he needs to stimulate him to do his best as a member of the work group and the organization.

Encourage his co-workers to respect and help, not bully.

Use the teamwork approach whenever possible, to give him a chance to develop prestige in a group.

Be sensitive to his unspoken as well as his spoken needs. Remember that youth do not usually admit their insecureties.

*Because* he wants to know why:

Give principle or reason behind instructions, not just once but on different occasions.

## *Encourage Youth To Cultivate His Ambitions*

Take time to show how the young person's work gears into work of other people in his own department, or even in other departments.

Help him see the reason for legal standards and work rules that apply to his job.

*Because* the adolescent has achieved sharpness of mind and readiness to learn and appreciates fairness and consistency:

Arouse his interest and develop his capacities through gradually increasing the responsibilities you place on him.

Give him a chance to ask and to express his ideas and opinions.

Be careful that job performance merits praise before giving it; for example, do not praise speed when work has actually been carelessly done.

Be as impartial and as consistent from worker-to-worker and from day-to-day as is humanly possible.

Use incidents as they occur to illustrate the general principles both of good conduct and helpful attitudes.

*Because* he imitates those he admires:

Set a good example of acceptable habits of language and behavior, of work habits and attitudes.

Express your own interest and enthusiasm in the work.

Remember that attitudes are caught not taught. Realize that you are a potential "hero," and be the kind of worker and person you want those under you to be.

The Committee recognized that much more work needs to be done in devising ways of helping supervisors to achieve effective supervision. END

*From* **Job Supervision of Young Workers** *Published by The U. S. Department of Labor, Bureau of Labor Standards*


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